

Corporate Governance Report

To the Shareholders,

The Board of Directors of IRPC Public Company Limited has set the corporate vision and core value as follows:

- Vision: Top Quartile Integrated Petrochemical Complex in Asia by 2014
- Core value: Aim High
Deliver
Work and Live Happily Together

The Board is aware of changing business conditions and expectations of all concerned on social and environmental responsibility for sustainable co-existence, development, and growth for all sectors. The Board thus stresses the importance of formulating strategic goals and operation direction with a focus on striking a balance in corporate business growth, overall economic growth, and responsibility to communities, society, and environment on the basis of good Corporate Governance (CG). The Board performed its role and duties in uplifting the company's CG to an international standard to achieve its goals and vision. The summary of IRPC's corporate governance activities for the year 2012 and awards won are described below:

CG Assessment by third parties:

- Assessment on AGM 2012: IRPC was ranked "Excellent" for three consecutive years (2010-2012) by the Thai Investors Association.
- Assessment of listed companies' CG Reports (CGR) for 2012: IRPC was ranked "Excellent" for four consecutive years (2009-2012) by the Thai Institute of Directors (IOD).
- IRPC was selected as one of the ASEAN stars. Out of 30 Thai Listed Companies, IRPC's stock can be traded in the ASEAN Trading Link, commencing on 15 October 2012.

Awards

- Golden Peacock Awards 2012 (Winner) for Excellence in Corporate Governance from the Indian Institute of Directors with four other leading companies:

BASF SE from Germany (chemical), Allianz SE from Germany (finance), Starbucks Corporation from the US (food and drinks), and NTPC Limited from India (energy). This award has represented the company's good and internationally-standardized corporate governance leading to become an organization with integrity, anti-corruption and equitable treatment.

- 3rd Asian Excellence Recognition Awards 2013 for Investor Relations, from Corporate Governance Asia Magazine, Hong Kong.

- Platts 2012 Global Energy Awards for Premier Project Award: Construction. Platts is a leading company, a provider and analyst of energy information.

- IRPC's terminal at Rayong received an EIA Monitoring Award 2011 for its Green Port Project, given by the Office of Natural Resources and Environmental Policy and Planning (ONEP).

In 2012, the Board decided to formulate CG policy and best practices for stakeholders in essential matters in line with its vision to upgrade IRPC's Corporate Governance to international standards and prepare for the ASEAN CG Scorecard as follows:

- The threshold of shareholding for minor shareholders to propose AGM agenda items in advance was dropped from 5% (single or combined shareholding) to 4% (single or combined shareholding), for three months prior to the annual closing date of its accounting books.

- The numbers of listed companies where each director can serve as director is limited to five.

- The terms of directors must not exceed three consecutive ones. Independency and efficiency of a given director qualified for a longer term must be considered, and reasons and explanations given to the shareholders' meeting.

- The President's directorship in other companies requires approval of the Board. As for directorships of top management, approval of the President is required. However, appointment of

directors to subsidiaries or joint ventures in which IRPC is a shareholder, or under the terms of agreement between the shareholders, is the authority of the Executive Committee.

- Assessment of the Board’s performance was conducted in three forms: one for the Board’s performance, one for self-assessment, and one for cross-assessment of other directors (by lot drawing). Additionally, assessment for all the sub-committees was added in 2012. Moreover, assessment for the Audit Committee by the Chairman, as complied with the Audit Committee’s Charter, was also conducted.

- Reports on asset holding of directors and executives must be reported to the Board in the Board’s meeting each month.

- Reports on conflict of interest of personnels, in addition to those of directors and executives. The reports must be done when changes take place during the year.

- Participation as membership in the Private Sector Collective Action Coalition Against Corruption (CAC).

The Board defined CG principles as well as a code of business conduct on a par with international practices and included it in the CG handbook and encouraged compliance with IRPC’s CG principles and code of business conduct among the Board, management, and all employees. The guidelines that reflect major principles are:

1. Responsibility for one’s own duties with due competence and sufficient efficiency;
2. Accountability for one’s own decision and action, with reason of the decision;
3. Equitable treatment of stakeholders with fairness and reason;
4. Transparency in conducting business and in disclosing corporate information to related parties;
5. Vision to create long-term value for the organization;



On October 26 this year, Mr. Cherdpong Siriwit, Chairman of the Audit Committee, presided over the presentation ceremony of the “Phet Nam Nueng Award” (recognizing rare excellence) along with Lt. Gen. Preecha Wanarat and Khun Tram Chaleechan, fellow committee members, and Mr. Atikom Terbsiri, President

6. Ethics.

This year, IRPC implemented campaigns to promote CG among employees, including:

- The Company encourages employees to operate their duties with integrity, transparency and anti-corruption. The Office of Corporate Internal Audit held a “Diamond Award 2012” contest to select units with outstanding internal control management, transparency, and efficiency in achieving goals.

- IRPC CG Red Carpet, held on June 11, 2012. Employees who had won domestic or international awards/complimentary awards presented their successes, which were partially contributed by applying the six CG principles to their operations, which will set examples for others. Drawing from six teams, formula can be portrayed as “Capabilities + Inspiration + 6 CG Principles = Success”. Management and staff attended the event and could view live via the intranet. The Company allowed employee’s participation in online voting via the intranet for popular vote; the winner was Ultra High Molecular Weight (UHMW) team.

- IRPC participated in the annual PTT Group CG Day 2012 to ensure CG alignment among PTT Group.

- RPC promoted and educated employees on the Corporate Governance and Ethics during the whole year through diverse channels such as the Intranet, I Oon Magazine, and activities held by Bhudism Club, etc.

IRPC's CG principles are in strict compliance with the SET's principles for listed companies of 2006 and combined with those newly announced of 2012, as further as IRPC can perform, as described in five parts as below:

Part 1 Rights of shareholders

IRPC recognizes the legal rights of the shareholders, their share in corporate profits, including other important matters that the shareholders are entitled to decide, and the right to obtain easily accessible, adequate, timely, and complete information through multiple channels. IRPC has thus defined the policies on the rights of shareholders, the promotion of their use, and non-violation of the rights of shareholders as follows:

1. Shareholders' Meetings

- IRPC encourages all types of shareholders to attend the shareholder's meeting regardless of size of shareholding. Major shareholders, minor shareholders and institutional investors are welcomed to the meeting. The steps and procedures of proxy and voting set are not sophisticated but correct and complete as abided by laws. The Company facilitated all shareholders in registration and advance voting.

- IRPC schedules an annual general meeting of the shareholders (AGM) within four months of the annual closing date of its accounting books; IRPC's AGM was set on 5 April 2012 at Bangkok Convention Center, 5th floor, Sofitel Centara Grand, Central Plaza, Ladphrao, Chatuchak district, Bangkok. IRPC set the record date for shareholders to join the meeting and receive their dividends on 5 March 2012. The announcement of the AGM was made on 13 February 2012, not less than 14 days in advance.

For urgent matters about the addition of the meeting agenda, IRPC must notify the shareholders to preserve their rights or interest at least seven days ahead of each meeting date, as well as distributing relevant documents in advance on the website before sending the documents. In 2012, no additional agenda was submitted.

- During the year, since there were no special agenda, urgent matters, or matters of shareholders' interest which required shareholders' approval, no extraordinary meeting of the shareholders was called.

2. Delivering Meeting Notices

- The meeting notices in Thai and English, agenda, comments of the Board, proxy forms including forms A, B and C as stipulated by law, as well as accompanying documents, were made available on IRPC's website on 2 March 2012, 30 days ahead of the meeting date.

- IRPC submitted a meeting notice to all shareholders, stating clearly the meeting venue, date, time, meeting agenda, essential information for consideration, the Board's opinions, minutes of the previous meeting, annual report, proxy forms with complete instruction, accompanying documents for proxy as stipulated by law, and other accompanying documents sufficient for shareholders' decision to vote, on 22 March 2012, 14 days ahead of the meeting, thus allowing shareholders to receive adequate, accurate, complete, and transparent information necessary for decision-making. The notice was published through Thai and English newspapers for three consecutive days from 29 to 31 March 2012, to notify shareholders in advance for their preparation.

3. Facilitating Shareholders

IRPC arranged the meeting at an easily accessible venue of adequate size with complete facilities to accommodate the shareholders. Officers facilitated shareholders, and the disabled as well as providing adequate information for shareholders with equitable treatment on the meeting date. Examination of registration credentials and registration opens two

hours ahead of the meeting. A barcode system was utilized to quicken registration.

4. Conduct of Shareholders' Meetings

- IRPC must in no way deprive the right of shareholders to attend the meeting. All shareholders can exercise their right to attend the entire meeting.
- Before the meeting, the chairman of the meeting explains all the meeting procedures and regulations such as the procedure of one vote per one share, ballot use instruction, as well as vote counting of the shareholders who must vote for each agenda under IRPC's Articles of Association.
- The chairman gives an opportunity for major and minor shareholders to witness vote counting by allowing one volunteering representative from major shareholder and one from minor shareholder to ensure the transparency of vote counting. Volunteers were Mr. Chanin Tayakkanond, acting as the Proxy of the Government Pension Fund, and Mr. Wiengchai Kaewsida, respectively.
- The attendees were allowed to protect their own interests by making queries fully before voting, presenting opinions and suggestions, and voting on important issues with impacts on IRPC, such as appointment or removal of directors, appointment of the auditor and compensation, policy on dividend payment, and approval of special transactions. In 2012, there were 11 shareholders who made queries and gave opinions at the AGM. (See http://www.irpc.co.th/other/ir_home_th.html for more detail.)

In 2012, 14 out of 15 directors of the Board attended the AGM, represented 93.33% of the Board. Among these, the Company's Chairman, Chairmen of all sub-committees and the President attended the meeting. One director was absent due to illness. All top management executives, at the Senior Executive Vice President level, also attended.

Furthermore, IRPC has invited one legal adviser, Mr. Montri Charoenchomsakul, from Putchong Sakun Law Office to attend for providing declaration on legal matters to shareholder's queries.

5. After the Shareholders' Meeting

IRPC submitted the minutes of the meeting to SET on 19 April 2012, or 14 days after the meeting. IRPC made available complete minutes of the meeting, vote-tallying details, and queries from shareholders in each agenda, as well as videotapes on IRPC's website so that the shareholders may get immediate reports and other interested persons may have the opportunity to learn about IRPC. The shareholders and general investors can contact IRPC for information, explanation, or needs to:

- Investor Relations Department :
 - (1) Telephone: +66(0) 2649 7980
 - (2) Electronic mail: ir@irpc.co.th
 - (3) Facsimile: +66(0) 2649 7379
- Company Secretary:
 - (1) Electronic mail: cg@irpc.co.th
 - (2) www.irpc.co.th, link to "Contact Company Secretary"

Part 2 Equitable Treatment of Shareholders

IRPC values and treats all shareholders with equity and fairness through the following actions in 2012:

1. It arranged for transparency and efficiency in the AGM by conducting the meeting and voting under the agenda as specified in the meeting notice and refraining from adding any agenda or material information without notifying the shareholders in advance, so as to allow the shareholders ample time to study the information before making decisions.
2. It facilitated shareholders who cannot attend the meeting to authorize proxy to any person to attend the meeting and voting in their place. Two independent directors are recommended for selection in the proxy form with instructions for shareholders to vote with their will on each agenda.
3. It provided voting ballots for the shareholders for each agenda separately. Especially, for director nomination where voting ballots were for each director nominated, so that they can vote for each individual

as appropriate. The voting ballots are filed for future inspection.

4. It prepared complete minutes of the meeting and submitted it to SET within 14 days after the meeting, as well as publicizing the minutes of the meeting together with videotapes on IRPC's website so that the shareholders can check and refer to them or submit queries for correction especially for any part on which shareholders suggested their opinion in case of unclear record or content.

5. To ensure the shareholders that the directors, management, employees, and related inside parties will not reveal inside information for their personal interests, the Board has incorporated the "Trading principles" in IRPC's CG policy which all employees sign as acknowledgment to ensure fairness to the shareholders.

IRPC then notifies the date of non-trading to the Board, management, and related persons, for abstaining them from buy/sell IRPC's shares for 45 days from the end of each quarter and for two working days after release date of the corporate financial statement to the SET. This forbidded them to reveal inside information that may impact on changes in IRPC's share price and not yet disclosed to the public, which could violate article 241 of the Securities and Exchange Act B.E. 2535. The directors and management must also report their own asset holdings to SEC when first assuming their positions and report within three working days after every purchase, sale, transfer, or receipt of transferred assets.

6. It facilitated all shareholders with equity and fairness, disregarding gender, race, religion, or size of shareholding, either major or minor shareholders, for access to IRPC's information via SET's channel and on IRPC's website at www.irpc.co.th in both Thai and English.

7. In the AGM 2012, IRPC facilitated minor shareholders, of not less than 5% shareholding, single or combined, in exercising their right to put forward an agenda in advance of the AGM via post, facsimile, or IRPC's

website between 1 and 31 December 2011, and at the same time publicized the regulations to exercise the right via SET portal and IRPC's website. However, in 2012, no shareholders proposed additional agenda during the period. (Currently, shareholding limit was changed to not less than 4%.)

Part 3 Roles of stakeholders

IRPC enhances to create the sustainable development through its whole value chain. It recognizes the needs of all stakeholders and is committed to providing maximum benefit to all with propriety and fairness for common sustainable progress. It started by operation plans that concerned on creation of added values to the organization and to stakeholders at the same time. Example was the Combined Heat and Power Project, utilizing natural gas as a substitute for fuel oil. This project helped reduce carbon emission of up to 260,000 tons of carbon dioxide equivalent per year. Moreover, IRPC encourages its employees to engage in taking good care of stakeholders. At the same time, it allows stakeholders to contribute to IRPC's growth, such as shareholders' recommendations and comments from customers, the media, or financial institutions.

Shareholders: IRPC is committed to create added values and to provide investment returns that best satisfy the shareholders.

IRPC highlights the importance on investors – both general and institutional, and both domestic and international ones – and aims to create trust and confidence. To this end, IRPC has set up an internal control system and a reliable accounting and auditing system. IRPC prepared the AGM in good compliance with law and Corporate Governance principles. IRPC received the score of 96 out of 100 for AGM 2012 Assessment for its quality, and according to IRPC's own survey, 4.01 out of 5 for shareholders' satisfaction.

IRPC has communicated with investors during the whole year through multiple channels such as domestic and international roadshow, investors and analysts' company visit (upon call), analyst meeting

(quarterly), as well as press release regarding investment and business progress and assessment on company's performance based on good corporate governance so as to acknowledge and provide general investors with information for their decision of investment through the media.

Customers/consumers: IRPC is committed to continuously developing and upgrading its goods and services by designing a system of timely, reliable purchase/sale and services to protect the interests and prevent risks to customers' business. It will in no way abuse consumers under the Consumers' Law and the Competition Law, and it will produce innovations to develop product quality to address the quality of life of consumers and environmental protection. It concerns safety and health during product use. As well, it aims to satisfy customers by taking care of quality of goods and services before and after sale. To facilitate business dealing with customers that saves time, reduces mistakes in document handling, and is in time for the volatility of the market, IRPC held customer visits, seminars, and study tours. In 2012, IRPC held the seminar "Petrochemical Forum 2012" in order to exchange knowledge and opinion among the country's experts on petrochemical. 600 people attended the forum, among these were IRPC's customers and petrochemical experts. IRPC conducted customer satisfaction survey. Satisfaction scores for 2012 were 80% for the petrochemical business area and 94.14% for the petroleum business area.

Business partners: IRPC adheres to its code of business conduct in dealing with business partners and contractual parties with transparency and accountability. Partner selection was conducted in a transparent and fair manner. IRPC balanced the interest between the Company and partners fairly. All agreements or contracts must be based on fairness and commitment to success through good, continuous, and long standing business relationship. IRPC has designed a "Procurement Code of Conduct" to ensure that the employees adhere to them with integrity and transparency. The satisfaction score for the procurement group was 83%.

Competitors: IRPC adheres to the principles of free enterprise and promotes free trade by complying with a good competition framework, ethics, compliance with law, and code of business conduct in a fair manner. IRPC does not seek information that represents its competitors' trade secrets through dishonest means. In the past, IRPC was never engaged in any dispute with its competitors.

Creditors: IRPC honestly and strictly honors all contracts with its creditors and financial institutions. IRPC properly performs its duties to all creditors under contract conditions and does not cover up information or facts that may harm creditors. If IRPC cannot honor the contracts, it must notify its creditors in advance to jointly solve problems.

Employees: IRPC recognizes that "employees" are vital for progress. Thus, in order for the employees to progress and grow, IRPC has designed practical career development paths for them so that they may have opportunities to upgrade their knowledge, capability, potential, and can adapt themselves to changing and volatile business environment and increasing competition. In 2012, training at the average of 43 hours was provided per each employee. IRPC provides fairness to all employees in various positions without discrimination on gender, age, religion, or handicap. IRPC sets proper compensation, welfare, and incentives comparable to leading peer companies to maintain and stimulate employees. IRPC has the policy of being a knowledge-based entity, supporting their innovation to increase the value added to the business, society, and the environment, as well as promoting and developing employees' potential by granting them domestic and abroad scholarships.

Additionally, IRPC provided employees with opportunity to increase their experience, knowledge, and capability and widen up their international perspective through the project called I'M ACE. Employees were encouraged to perform their duties in the international well-known companies and generate revenue to the Company. This project prominently represents the Creating Shared Value (CSV) principle. In 2012, IRPC

has sent 11 engineers to construct a petrochemical plant of Samsung Engineering Co., Ltd. in the United Arab Emirates.

IRPC organized the annual Presidential Awards for distinguished employees or teams who dedicated their knowledge to the company, provided role models, and dedicated themselves to the public or community, as well as society and the environment. The awards are divided into:

1. Distinguished employees in behavior
2. Distinguished employees/teams in the value added to the organization
3. Distinguished employees/teams in safety
4. Distinguished employees/teams in excellent relations with external communities.

Moreover, IRPC takes seriously communication about its business to all employees and provides channels for them to directly present their views to the management such as:

- The President Meets Employees Hall Talk to closely communicate with them. Three such meetings were held in 2012.
- An employer committee, as representatives for employer, coordinates with employee representatives to discuss welfare or improvement to benefit employees.
- Support to its labor relations, trade union office, and budget of union activities.

Recognizing the safety of its employees, IRPC has prepared equipment and tools to facilitate their work and create a good work environment. It has also established safety standards, occupational health, and discipline at work, such as training on quality, safety, and occupational health, "5S" activities and the work environment, a Big Cleaning Day, an annual fire drill and prevention, and emergency plans for employees. All employees go through annual general medical check-ups and special check-ups for special and risky diseases or diseases specific to their areas

of work. Moreover, IRPC has arranged for life and accident insurance and proper compensation plans to cure, compensate, or replace. In case of necessity requiring them to end their employment, IRPC has established a provident fund which IRPC contributes to employees at a progressive rate according to the years of service they have spent with IRPC, so as to secure a good quality of life after their service termination.

Society and Community: IRPC has integrated the corporate responsibility and incorporated it into the company's mission and core activities to mutually create maximum benefits to the business and stakeholders. IRPC has a CSR unit dedicated to communities, society, and the environment. It provides assistance, supports, and promotes the quality of life, develops work/projects for the well-being of society, especially communities surrounding the plants to minimize impacts from production, and fosters joint understanding under the "Care Share Respect" philosophy by setting clear objectives and preparing short-term and long-term action plans for activities dedicated to society and the environment, consisting of the environment, culture and religion, education, and community and quality of life development. IRPC in conjunction with the public sector launched an anti- drug campaign and supports the "To Be Number One" Project.

Environment and safety: It has defined a "Policy on Responsibility toward Society and Environment" by focusing on developing IRPC's growth in parallel with development of the quality of life of people in society together with a clean and safe environment. It has also appointed a "Strategic Group in Operating Business" in (1) Economy (2) Social: participation of society and stakeholders, and (3) Environment to integrate the management of business, the environment, communities, and society for maximum efficiency. To illustrate the significance of this issue, in each group a senior executive vice president was appointed as the strategic group leader.

In addition to strict compliance with laws, IRPC complies with safety and environmental legislation with strict guidelines for safety in the workplace, prepares a preventive action plan, controls production so that it does not harm the environment, designs safety measures in factories and society, prepares plans and organizes regular drills in case of accidents in line with international practices, organizes training for employees and outsourced staff regarding safety, prepares a long-term operational excellence plan for efficient consumption of energy and natural resources and use of waste, promotes productivity activities, as well as implementing employees' suggestions. In 2012, IRPC has set the assessment criteria of employee's productivity.

IRPC recognizes the importance of community's complaints and preparation of explanation to promote understanding and provide timely and accurate information to the communities, thus reducing potential conflicts arising from the community's misunderstanding. Moreover, IRPC has campaigned for, supported, and invited communities, especially youths, to participate in activities to protect the environment, since it is the foundation of the quality of the community and harmonious co-existence. (Details in Quality, Safety, Occupational Health, and Environmental Management on page 117 – 124)

IRPC involved shareholders in environmental conservation by holding a contest on "Shareholders for Green Society", in which shareholders can propose a project beneficial to the society and the environment for IRPC to further develop that suits society.

Government sector and related agencies: IRPC strictly complies with related legislation, such as quality of life, the environment, safety, labor, accounting and tax management, as well as government announcements related to IRPC's business, and cooperates to support activities arranged by the government and non-profit organizations e.g. in Thai Chamber of Commerce seminar and by presenting opinions as a petroleum, refinery, and petrochemical



The discussion panel "How to Govern Your Organization When the World Changed?" proactively communicated with the society to raise concern on climate and societal changes and to prepare readiness for appropriate handling.

entrepreneur so that the government can use the information to improve rules, regulations, and management to raise the efficiency of the overall domestic industry. IRPC engages in hearing and sharing opinion with the Stock Exchange of Thailand (SET), the Securities and Exchange Commission of Thailand (SEC), the Thai Institute of Directors (IOD), and the Corporate Secretary Club on, for instance, corporate responsibility practices according to ASEAN CG SCORECARD. IRPC encourages its employees to take part in innovation development and send their innovation pieces that prove beneficial and add value to the petrochemical sector to external contests held by recognized institutes.

Respect of copyrights and intellectual property rights

IRPC respects copyrights and intellectual property rights. It campaigns for, promotes, and raises awareness for its employees to strictly comply with the Copyright Act B.E. 2537 by forbidding them to use illegal programs or software. It has also announced a policy on "Regulations on the use of computer and networking systems" for the executives and employees to implement. IRPC has seriously undertaken periodical reviews of measurement and

auditing to ensure that the Company and employees do not violate other's rights.

Respect of laws and universal human rights principles

The Board, management, and all employees must strictly respect laws, traditions and cultures although different, and international human rights principles under the Universal Declaration of Human Rights as part of their work. They will also by no means support enterprises that violate international human rights principles. IRPC, being a member of the UN Global Compact on human rights, reported the Communication on Progress on UNGC's website on 12 September 2012 and acknowledge all employees to comply.

Whistleblowing and complaint-making

IRPC has instituted channels for whistleblowing or complaint-making for stakeholders who are or may be affected by damage caused by IRPC's operation, and for reporting IRPC employees who are involved in unlawful or dishonest acts, corruption, fraud, unequitable treatment, and careless acts by directly submitting the case via mail to:

Chairman of the Audit Committee, or
Head of the Office of Corporate Internal Audit
IRPC Public Company Limited
6th Floor, Energy Complex, Building B
555/2 Vibhavadi Rangsit Road, Chatuchak,
Chatuchak, Bangkok 10900
Telephone : +66(0) 2649 7000
Facsimile : +66(0) 2649 7982

Stakeholders can also contact the Chairman of the Audit Committee at the 'Contact Chairman of Audit Committee' link by logging on to www.irpc.co.th.

When IRPC has received the matter, the Office of Corporate Internal Audit will register the complaint, consider its content, and verify facts. If irregularity is involved, a Complaint Inspection Committee (the "Inspection Committee") will be set up with representatives of related agencies as members.

If the inspection indicates no ground to pursue it further, the Inspection Committee will close the case. If the inspection indicates valid ground, however, the committee will proceed according to the discipline or the law, depending on the case. Then the committee will summarize, report and seek approval from the President to take disciplinary or legal action, compensation for the affected persons, or rehabilitation of the situation, depending on the case. When the President approves it, the committee will notify the reporting persons and notify related agencies to provide compensation to the affected persons and restore the situation to its former state. The Office of Corporate Internal Audit will make a summary and report it to the Audit Committee, the President, and related executives. Through the entire process, the Company does not reveal name of the person reporting the case to prevent any conflict or problem that may harm the person reporting whistleblow or complaint.

Part 4 Information Disclosure and Transparency

Since IRPC is committed to doing transparent business, it stresses the importance of proper, sufficient, complete, transparent, clear, accurate, reliable, and timely information disclosure, whether financial or non-financial, to all stakeholders. It presents the information in a form and language that is concise and easy to understand so that the stakeholders can use it for efficient decision-making. Information disclosure is vital to ensure the confidence of investors, display honesty, and act as a mechanism to check IRPC's operation, and to ensure the confidence of stakeholders.

- It prepares financial statements, the external auditors' report, as well as the Board's annual report, for presentation to the AGM in the annual report and Form 56-1 for the approval. It also distributes the information on regularly updated IRPC's website.
- Apart from financial and auditing reports, IRPC prepares a report on the assessment of the status and

trends of its business with a simplified summary, and a report of its own responsibility for financial reports. IRPC then presents it together with the auditor's report, a management discussion and analysis, a report on the meetings attended by directors, and/or by committee members, by comparing the number of the meetings of the Board and/or committees for each year.

- It prepares a report of the policy and criteria on compensation to directors and senior executives in the annual report, and a report on changes in directors' asset holdings and the company's connected transactions under SEC's regulations. The shareholding structures of IRPC and its subsidiaries are also incorporated in the annual report.

Apart from the disclosure of normal operations, shareholders will receive timely updates on matters which may impact IRPC's business, whether positive or negative. IRPC also distributes information to stakeholders on a fair basis via convenient, timely, and public widely used channels, thus allowing shareholders and stakeholders proper and efficient access to the information. In 2012, IRPC reported via the SET portal 37 times in total as well as disseminated on IRPC's website.

This year IRPC provided channels and responsible persons for information disclosure as follows:

Direct

IRPC arranged for the Investor Relations Department to be responsible for providing convenient, timely, and efficient information to shareholders via SET's communication channel, as well as trying to increase channels to provide shareholders with up-to-date information, coordinating with institutional investors, creditors, security analysts, and shareholders to provide information on IRPC's performance and investment regularly through Roadshows (domestic and international, 7 times), Analyst Meetings (4 times), Company Visits (upon investors and analysts' call, 41 times), activities to spread IRPC's information in conjunction with SET (twice) and Plant Visit (once). Furthermore, the Compliance Unit, under

Investor Relations Department, ensures that IRPC's operations comply with the regulations of SET and SEC. There was also a public relations unit to communicate and distribute IRPC's information and news and to continually explain matters to the media and public: press release at the average of twice a month, meeting with journalists 20 times, quarterly newsletters delivered to all shareholders to ensure that they are aware of IRPC's movement and activities.

Indirect

IRPC provided key information via its website and regularly updated it under "Investor information" such as SET's news and IRPC's share prices. Shareholders, investors, analysts, and interested parties can receive IRPC's additional information via IRPC's website at www.irpc.co.th or directly contact Investor Relations through:

- (1) Telephone: +66(0) 2649 7380
- (2) Electronic mail: ir@irpc.co.th
- (3) Facsimile: +66(0) 2649 7379

In 2012, IRPC disclosed the following information to upgrade its CG on a par with international standard:

- Publication of the first "Communication in Progress 2012" as required of a member of the UN Global Compact, which IRPC had joined on 21 November 2011. The publication included information on the progress made on labor, human rights, environment and anti-corruption. It has been posted on www.unglobalcompact.org since 12 September 2012.
- "Thailand Petroleum and Petrochemical Synergy Flow Chart" was published as a white-paper publication, with flow charts of petroleum and petrochemical production to distribute to the public and those interested in IRPC's nature of business.
- Reports of information via SET's channel as required by legislation and regulations, in a complete and timely manner.

- Complete information is available at IRPC's website, which was improved for readability, via its bi-monthly in-house e-magazine "I Oon" (6 times/year), and a quarterly newsletter (4 times/year) to communicate with shareholders.
- Publication of Sustainability Development Report 2011-2012 to all shareholders.

Part 5 Responsibilities of the Board

The Board plays a pivotal role in leading IRPC to success and goal achievement. As stipulated in the corporate Articles of Association, Board of Directors shall consist of at least 5 and not exceeding 17 directors. Under the corporate structure and qualifications of directors, in 2012 the Board consists of 17 directors, with 16 Non-Executive Directors and one Executive Director. Among them are eight independent directors. Nomination of directors is conducted under the procedures set by the Nomination and Remuneration Committee (Details of the organizational structure are under the title "Appointment and Termination of the Board of Directors") so that the Board is made up of directors with diverse knowledge and experience essential to IRPC's business, such as those knowledgeable in the petroleum business, law, and accounting and finance. Among them, one Executive Director will be appointed to manage operations under the terms and scope of authority defined by the Board. He also acts as the Board's Secretary to efficiently conduct Board meetings and shareholders' meetings. There is no discrimination on gender in the Board; one female director was appointed in the Board in 2012.

For the Board to be able to dedicate sufficient time in performing their duties appropriately and efficiently, it set the limit to the terms of directors and committee members at 3 years for up to 3 consecutive terms, and the number of listed companies where each director is serving as a director not exceeding 5. IRPC discloses information on the directorship of other companies in the annual report and Form 56-1.

The Board formulates strategies for corporate operations and monitors IRPC's operations to ensure goal achievement. The strategies are handed down to the management for implementation in an efficient and effective manner. To ensure efficient management, it has clearly separated the roles and duties of the Chairman and the President; the Chairman and the President are two distinct individuals. Although the Chairman of the Board is not an independent director, he has no conflict of interest with the Company. He can thus perform their duties in setting strategic business operation with independency. For any agenda in which Chairman or any director have direct or indirect stake, IRPC has practices on abstaining from voting or leaving the meeting room. This way, the Chairman can freely assume the leadership role and monitor the execution of the Board. The President is assigned management authority within the powers defined by the Board without the latter's interference and without influence over each other's performance. A summary of the Board's duties and responsibilities appears below.

Roles of Directors

1. Corporate Policy and Strategy

The Board considers and approves issues crucial to IRPC's operation, such as the vision, missions, strategies, financial objectives, risk management, action plans and budgets. It monitors and ensures that the management efficiently implements action plans. It undertakes periodic reviews of strategies and policies to add value to IRPC, emphasizing strategies that contribute to sustainable business operations, balance of business benefits, and social and environmental responsibility. For the 2012 business strategies and directions, the Board focused on product development and environmentally friendly innovations, eco-industry zone development, and operational excellence for maximum energy efficiency. The performance indices for the Board and executives set are in the top quartile in line with international standards.

2. Corporate Governance

The Board performs its duties in strict compliance with the laws, company objectives, Articles of Association, and resolutions of the AGM. It defines a CG policy and code of conduct; ensures that an independent internal control system is in place; ensures disclosure of key information; ensures that shareholders' right and benefits are well handled in an equitable way; avoids vested interests or conflicts of interest so as to defend the interests of IRPC and all stakeholders; supports human resource development so that IRPC personnel have good understanding and awareness of CG and perform in line with CG principles; and promotes integrated cooperation between IRPC and all stakeholders, including communities around IRPC and its industrial estates, customers, contractors, employees, and so on.

3. Promotion of responsibility to society, the environment, and human rights

The Board must value IRPC's operations in a socially and environmentally responsible way, upgrade the well-being of residents in surrounding communities, and engage in problem-solving and reduction of impacts on communities, respect human rights for sustainable co-existence of IRPC and communities, campaign for cooperation among operators in the IRPC Industry Estate in conducting business in a socially and environmentally responsible way under the "Eco-Industry Concept", and allow communities to take part in decision-making, development, and inspecting operational activities, joint a campaign against drugs under the "To Be Number One Project" and "White Plant Project". IRPC also won an Outstanding Labor Relations Award for 2012 for five consecutive years.

4. Anti-corruption

IRPC is committed to business operation based on honesty and transparency. Apart from the CG handbook with detailed guidelines and anti-corruption measures, it has prepared "Guidelines on receiving and giving gifts, assets, or other benefits" in the handbook and code of business conduct to ensure

strict compliance by all directors, management, and employees. IRPC declared its intention to be a part of the counter-corruption move by joining the Private Sector Collective Action Coalition Against Corruption (CAC) on 3 January 2013 and setting a CG plan to qualify as a member as soon as possible.

5. Innovation promotion

The Board must seriously take the upgrading of innovation and technology capability of all employees and define strategies to create a culture of innovation, promotion of innovation among employees to benefit IRPC in trading, production, services, and process development in line with corporate strategies on sustainable growth. IRPC holds an employee innovation contest annually; it has in fact set innovation as a KPI.

6. Monitoring and control mechanism

The Board has designed monitoring and control mechanisms to ensure the transparency of business operations and bolster the confidence of shareholders, investors, and stakeholders as follows:

Conflicts of interest

- The Board has defined a policy on conflicts of interest in the CG handbook and the code of business conduct. Moreover, it has complied with SEC's recommendations on the guideline to approve directors' engagement in trade agreements between IRPC or its subsidiaries and directors, the management, or related persons in compliance with the Securities Act. In approving connected transactions, the Board has monitored the conformity to the regulations and procedures with prudence, reasons, and independence, transparency, while taking into account IRPC's best interests. Any directors or management team member involved in a transaction with potential conflicts of interest cannot participate in decision-making on that transaction. This is to be noted in writing in the meeting report.

- In considering approvals of connected transactions, the Board has required information disclosure of vested interests of directors, the management, and related persons; transaction values; comments of Audit Committee; and other necessary information so that the directors/shareholders can decide in IRPC's overall interests.
- The Board has set guidelines for directors or the management with vested interests or related employees not to participate in the decision-making process on business dealing between IRPC and those stakeholders or related persons.
- At the recommendation of the Corporate Governance Committee, the Board requests that the directors and management reveal the list of transactions with potential conflicts of interest and changes regularly every month.

Internal control and audit

- The Board has constantly valued internal control by assigning the Audit Committee to monitor the assessment of the internal control system to ensure that the system is adequate and proper for business operations and effective for work, and then to report to the Board and the shareholders.
- The Board arranged for the Office of Corporate Internal Audit to be IRPC's independent unit, directly reporting to the Audit Committee, with the duties and responsibilities of assessing the adequacy and effectiveness of the internal control system or activities under the annual audit plan as approved by the Audit Committee, and regularly reporting to the Audit Committee to support the effectiveness of the monitoring process of risk management and control by complying with ethics and internal audit competency standards to maintain

independence and quality of internal audit. The Audit Committee appointed Mrs. Sukriang Chartuthit, the Head of Internal Audit Office on 26 October 2012.

Risk Management

Valuing risk management, the Board defines a corporate policy on risk management; ensures that measures and control methods are in place to ease impacts on IRPC's operation; provides useful recommendations; and ensures that a system or process is in place to prevent or reduce risks to acceptable levels. To this end, it has appointed a Risk Management Committee, comprising top executives responsible for the monitoring of risk management and assessment of risks with impacts on IRPC's operations and achievement of strategic objectives. The committee regularly follows up and reviews the implementation of risk management plans or action plans to cope with changing situations, and submits a report to the Board. In 2012, the Board approved a corporate risk management plan, consisting of subplans to add value to business while preventing and mitigating impacts from IRPC's operations on society and the environment; these consist of risk management plans for feedstock prices, electrical blackouts, environmental aspects, community aspects, and investment aspects of risks.

Use of Inside Information

IRPC has set a policy for the directors, management, and employees on the forbidden disclosure of material information not yet revealed to the public for the benefit of oneself or others, including the trading of IRPC's shares as follows:

- Prevent unlawful acts committed by IRPC's employees and their families, or those in or those prone to be in possession of information not yet revealed to the public. IRPC forbids those persons to purchase/sell shares or invite others to purchase or sell or offer to purchase or offer to sell the shares of IRPC,

its subsidiaries and/or its affiliated companies as listed on SET, whether by themselves or through agents while possessing the information not yet revealed to the public. IRPC and SET consider that these acts are meant to speculate or create undue profits or advantages for certain groups.

- Notify the directors, management, and related parties to prepare and submit reports of their own asset holdings, as well as those of their spouses and children under legal age, when first assuming their positions, and report on changes in asset holdings every time within three working days when there is purchase, sale, transfer, or receipt of the transferred assets of IRPC's assets to SEC under article 59 and article 275 concerning punishments of the Securities and Exchange Act B.E. 2535.
- Classify IRPC's confidential information by determining the level and limitation of access to the information not yet revealed to the public by establishing the need-to-know basis. It is thus the duties of the owner(s) of the information or the one(s) in possession of the information that is not yet revealed to the public to strictly comply with the procedures of keeping IRPC's confidential information as well as ensuring that related persons do the same. Violators must be punished for breach of discipline and/or by law, depending on the case.

7. Appointment of Sub-committees

As a major company with complicated nature and production lines, to ensure prudence, efficiency, and expertise in different fields in managing IRPC's operations, the Board has set up four sub-committees (or "committees") to screen significant operation issues with prudence and efficiency according to the roles and duties as assigned by the Board, with regular reporting of the results and activities in the past year to the shareholders in the annual report as follows:

1) Executive Committee

The Executive Committee comprises at least three directors from the Board who are experts in petroleum and petrochemical. The Executive Committee has the authorities and duties to examine and review the business plans and annual budget for presentation to the Board of Directors. The committee determines the financial and investment policies to be in line with the Company's policy and approve investment criteria and proposals subject to the Company's regulations. It considers and performs the acts related and essential to the Company's operations and to examine and review all types of works proposed to the Company and offer useful suggestions. It appoints directors for subsidiaries or joint venture companies in accordance with shareholding ratio or as set forth in the Joint Venture Agreement. Moreover, it performs other tasks assigned by the Board of Directors. The meeting was set once a month, or when deemed necessary. In 2012, it convened 12 meetings.

This year, IRPC approved appointment of directors to serve in six subsidiaries and two joint ventures to replace those that had resigned, considered IRPC's Five-Year Plan (2013-2017), and considered various significant issues which add value to the business in the long run for submission to the Board.

2) Audit Committee

The Audit Committee is formed of at least three members, among which at least one director must gain knowledge of financing/accounting. The Audit Committee has the authorities and duties to review reliability of the financial statement of IRPC and its subsidiaries, the internal control system, the

internal audit system and risk management system for appropriate and efficient ones. It can also give suggestions to review or audit any matters deemed necessary or significant. Moreover, it offers recommendations on improvement of the internal control system, risk management system and audit reports and present to the Board of Directors. The meeting was set once a month, or when deemed necessary. In 2012, it convened 13 meetings.

This year, the committee considered various significant business issues to ensure transparency, such as quarterly and annual financial reports, reports on vested interests of directors, reports on audit of project management, quarterly reports on implementation of corporate risk management, a report on the audit findings on Ayutthaya oil depot management process, and criteria and procedures in selling non-core assets.

3) Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of at least three directors from the Board with at least one independent director in the committee. The committee has duty to recruit qualified candidates for being appointed as the Board members and the President. It has established efficient and transparent criteria and procedures of nomination so that the Board is made of directors with diverse knowledge, capability and other qualifications. Moreover, it considers remuneration of compensation for directors and the President by adopting equitable and reasonable criteria and present to the Board of Directors and to the shareholder's meeting for approval. In 2012, Chairman of the Nomination and Remuneration Committee is an independent director. It convened six meetings.

This year, it considered various significant business issues for the Board's consideration, such as nomination of directors to replace those completing their terms in 2012 and those that resigned during the year, and considered bonuses for directors for their 2011 performance and compensation for directors for 2012, nomination of sub-committees (Executive Committee, Audit Committee, Corporate Governance Committee), and framework for assessment of the President's performance, and then reported to the Board for consideration.

4) Corporate Governance Committee

The Corporate Governance Committee has at least three directors, at least one of whom must be an independent director. It is responsible for recommending guidelines, counseling, answering queries on corporate governance addressed to the Board, the President, and the shareholders, ensuring compliance with relevant regulations to develop IRPC's business toward sustainable growth in balanced parallel with society and the environment. In 2012, the committee convened six meetings.

This year, the committee considered various significant business issues, such as implementation of the 2012 Corporate Governance Plan consisting of general and strategic plans in three fields (corporate governance, environmental good governance, and CSR), following up the implementation of the plan every quarter, and proposing CG development guidelines in five sections in compliance with SET, SEC, and IOD, assessment forms for the Board and sub-committees for 2012, and campaigns to promote CG through assorted activities.

Details of the composition of the Board as well as Sub-Committees and their meeting attendance record in 2012 as shown in page 139-159 under "Management Structure".

The Board appointed Ms. Monwipa Choopiban the Company Secretary on 24 January 2012.

The Board has defined in writing the authority and duties of the directors and management to ensure efficiency of supervision and assessment of their performance as follows:

- The Board's duties consist of defining duties and responsibilities in a proactive approach to meet IRPC's business objectives. It considers and approves issues crucial to IRPC's operation, such as the vision, missions, strategies, financial objectives, risk management, action plans and budgets as primarily screened by the Management Committee, comprising top executives, namely the President, Senior Executive Vice Presidents and Executive Vice Presidents from various fields, before submitting to the Board and the President, as well as establishing business plans that efficiently and effectively meet IRPC's strategies and objectives.
- To defend the interests of IRPC and all stakeholders, the Board maintains its independence in decision-making, analysis, comments, and votes without being pressured by vested interests or conflicts of interest. IRPC takes very seriously potential conflicts of interest and thus sets a policy for directors who lack independence not to decide on issues of their vested interests.

8. Board Meetings

Board meetings are set in advance every year to allow time for the directors to attend, by scheduling the meetings at least once a month or more often in case of necessity, emergency, or special cases for the efficiency and timeliness of IRPC's business, with the Company Secretary responsible for preparing documents and venues and coordinating each meeting and inviting Board members. Each director must receive 5 working days in advance prior to the date the information, agenda, and information of the meeting to allow time for adequate study. The meetings shall also be called in case of necessity, emergency or special matters for efficient and timely business operations.

- For the meeting quorum, the number of the attending directors must consist of at least half of all directors. The quorum of each meeting is 80-100% for all 13 meetings throughout the year 2012.
- The Board must fully dedicate their time and take interest in IRPC's operations and be ready to regularly attend the meetings as set in advance by IRPC, or as necessary. If a director cannot attend a meeting, he/she must notify the Chairman in writing in advance. Average attendance of each Directors presented in the meetings is 90% for all 13 meetings called in 2012. (as shown in "Management Structure")
- The Chairman must ensure that the Board has allocated sufficient time for executives to present information and for the Board to discuss, make queries, or comments on key issues.
- The Chairman defines clear measures to ensure that the directors receive related information at least five working days in advance, and has adequate time to study, consider, and correctly decide at each Board meeting, except at an emergency meeting.
- The Board can request accompanying documents, information, advice, and services concerning IRPC's operation from top executives, with the Company Secretary acting as a coordinator, for each meeting. If necessary, the Board can seek independent opinions from outside adviser(s), at IRPC's expense.
- The director who may be involved or have vested interests in any agenda must abstain from voting and/or abstain from making comments on that agenda, or leave the meeting room.
- After the meeting, the Company Secretary prepares the minutes of the meeting with complete and clear essences, including the resolutions of the meeting, the comments of the directors, and the resolutions of the directors for approval at the next Board meeting, signed by the Chairman of the meeting, with systematic filing in the forms of hard copies and electronic files, with a control system that cannot be changed without going through the Board meeting.

- The Board's policy is to ask the non-executive directors to convene without the attendance of the management at least once a year together with a meeting among the independent directors at least once a year. This year, a meeting of the non-executive directors was held in July 2012, and a meeting of the independent directors was held in September 2012. There were two meetings, taken place at the plant site aiming for speculating the fieldwork, learning about problems that might emerge and tightening relationship between the directors and the management.

9. Compensation to the Directors and the President

The Nomination and Remuneration Committee shall consider the remuneration for the Directors and the President according to the following procedures:

Compensation to Directors

- The Nomination and Remuneration Committee determines the structure/composition of the compensation of directors as fitting their responsibilities and their performance, as sufficient incentives to induce and maintain quality directors or comparable to the same industry. The structure/composition of the compensation is clear, transparent, simple, and submitted to the Board, which then seeks approval from the shareholders. The shareholders are entitled to determine the annual compensation to the directors transparently at the AGM.
- In the annual report, the Board reveals the form, nature, or amount of compensation for each director, as well as compensation received for serving as directors in subsidiaries according to their positions and duties, showing the linkage with the policies.

Compensation to directors in monetary form includes monthly retainer fee and meeting allowances, the rate of which are at the average of median and maximum compensation in the resources group of companies under the

IOD's survey on directors' compensation. In 2012, the bonuses paid to directors were proportional to IRPC's performance in total amount of 18 million Baht. No compensation in non-monetary form or other benefits was made. Compensation for the Chairman of each committee was 30% higher than that for directors.

Compensation to the President

- The Board arranges for the annual assessment of the President's performance by taking into account IRPC's performance, reflecting the President's capability and management competency, and other relevant dimensions as assessed by the Nomination and Remuneration Committee before submitting to the Board for consideration.

10. Assessment of the Board Performance

IRPC's CG principles stipulate that the Board must conduct self evaluation at least once a year to allow it to review its own performance, problems, and obstacles each year. IRPC submitted the assessment forms to all directors in December each year. It then consolidated the scores and reported to the Corporate Governance Committee and to the Board of Directors, respectively. The Board was acknowledged on its performance and thus made further improvements for maximum efficiency. In 2012, assessment was conducted in four forms, namely, 1. Assessment form for the Board's performance 2. Self-assessment form 3. Assessment form for cross-assessment of other directors and 4. Assessment of all sub-committees.

The assessment in 2012 was under the following criteria:

Over 85%	= "excellent"
Over 75%	= "very good"
Over 65%	= "good"
Over 50%	= "average"
Below 50%	= "need improvement"

The summary of the general assessment by the Board is as follows:

- **Assessment of the Board** consisting of four assessment dimensions:

1. Board Policy 2. Board Composition 3. Board Practices and 4. Board Meeting. The assessment of the Board's performance showed that they were in the "excellent" range, with an average score of 96.74%.

- **Self-assessment** consisting of seven assessment dimensions:

1. Qualifications of the Board 2. Accountability of one's own decision and justification 3. Responsibility toward one's own work with due competence and sufficient efficiency 4. Equitable, fair, and justifiable treatment of stakeholders 5. Transparency in one's own work, with accountability and information disclosure 6. Vision to create long-term value to IRPC, and 7. Business ethics. The results of the self-assessment showed that they were in the "excellent" range, with an average score of 96.47%.

- **Cross-assessment of other directors** consisting of the same seven assessment dimensions as the above. The assessment result showed that the performance was in the "excellent" range, with an average score of 96.43%.

- **Assessment of all sub-committees**

1. Executive Committee 2. Nomination and Remuneration Committee 3. Corporate Governance Committee and 4. Audit Committee. For the first three committees, the assessment were conducted in four dimensions, namely, 1. Board policy 2. Board composition 3. Board practices and 4. Board meeting. The assessment result showed that the performance was in the "excellent" range, with an average score of 99.57% for the Executive Committee, 92.46% for the Nomination and Remuneration Committee and 99.76% for the Corporate Governance Committee.

- For Audit Committee, the performance assessment were conducted on the entire committee, and also on each individual director, as stipulated by the Charter of the Audit Committee implemented on 1 January 2010. The assessment on performance of the entire committee was conducted in six

dimensions, namely, 1. Structure and composition of the Audit Committee 2. Roles and Responsibilities 3. Relations with internal auditors and external auditors. 4. Relations with management 5. Reports and 6. Quality control. The assessment result showed that the performance of the entire committee was in the "excellent" range, with an average score of 98.26%. On the other hand, the individual assessment was conducted in six dimensions, namely, 1. Business knowledge 2. Due expertise 3. Authorities and duties assigned 4. Independency 5. Understanding of role and responsibility and 6. Performance and meeting. The assessment result showed that the individual performance was in the "excellent" range, with an average score of 98.15%.

In additions, the Charter stipulated that the assessment be conducted by the Company's Chairman or external assessor. In 2012, the Chairman conducted the assessment on the Audit Committee's Report and its performance, showing that the performance was in the "excellent range".

11. Development of the Board and the Management

The Board ensures that its directors understand their duties, responsibilities, and IRPC's business by providing knowledge to the directors, both newly appointed and present ones, as well as regularly providing them with regulations received from SET and SEC to the directors and the management as follows:

Newly appointed directors: IRPC organizes orientation sessions for newly appointed directors by introducing the nature and policy of IRPC's business, general operation, and performance so that they may get a clear picture, as well as providing key information necessary to their work, such as the capital structure, shareholders, performance results, regulations, CG principles, Form 56-1, and the annual report, so that the new directors may comply. This year, IRPC took in nine new directors.

Current directors: IRPC encourages current directors to ungergo additional training to increase their knowledge, understand CG principles, rules,

regulations, as well as roles and duties of directors in efficient and proper management by taking training courses organized by IOD. As of year-end 2012, eleven directors had taken part in training courses relating to their roles and duties.

- Role of Chairman Program (RCP): in which two directors attended. In 2012, the Chairman attended this course.
- Director Certification Program (DCP): in which nine directors attended.
- Director Accreditation Program (DAP): in which four directors attended.
- Finance for Non-Finance Directors (FND): in which three directors attended.
- Audit Committee Program (ACP): in which two directors attended.
- Role of the Compensation Committee (RCC): in which one director attended.
- Successful Formulation on and Execution of Strategy (SFE): in which two directors attended.
- And Understanding the Fundamental of Financial Statement (UFS): in which one director attended.

Additionally, there is a director attending Thailand's 3rd National Conference on Collective Action Against Corruption : "The Responsibilities of Company Directors in Fighting Corruption".

Management : Executives attended IOD-organized training courses were as follows:

- Director Certification Program (DCP): in which seven directors attended. In 2012, two directors attended this course.
- Director Accreditation Program (DAP): in which two directors attended.
- Finance for Non-Finance Directors (FND): in which one director attended.
- Financial Statements for Directors (FSD): in which two directors attended.

- Understanding the Fundamental of Financial Statement (UFS): in which one director attended.
- And Company Secretary Program (CSP): in which one director attended.

12. Succession plan

The Board ensures that IRPC has an effective succession plan including development process in place. This is well-prepared to keep competitive advantage, serve business direction and avoid disruption from any key management vacancy from whatever situation. The management in coordination with Human Resource unit would propose list of potential to the President for screening. Those be selected will be developed and prepared for greater responsibility.

IRPC reiterates its commitment to CG compliance as is expected by all stakeholders to strike a balance of benefits, maintain suitable relations, and involve stakeholders in IRPC's social and environmental responsibility, which leads to sustainable development and social quality on a par with international standards.



(Mr. Cherdpong Siriwit)

Chairman of Corporate Governance IRPC Committee