

Message from the Chairman of Corporate Governance Committee

To the Shareholders

In its emphasis on corporate excellence, The Board of Directors of IRPC Public Company Limited remains firm in its intention to conduct business with sustainability and maximum efficiency in the production practices on the basis of Corporate Governance and Vision. Several measures are planned to be put in place to prevent, control, improve and minimize the impact on the communities and environment surrounding the facilities. The Board also intends to promote cooperation among the stakeholders, which it believes to be a major contributor to the growth and well-being of the society.

In 2014, the Corporate Governance Committee has fulfilled the Board's aforementioned intention with the proposal for the Corporate Governance Strategies 2014, which consists of corporate governance, anti-corruption, environmental governance and social responsibility tasks. The committee also ensured that company implemented the plans and goals approved by the Board and provided reports on its performance on a quarterly basis. Compliance with principles for corporate governance, including regulations and standards generally accepted within the industrial and international level, was also monitored in order to create a strong circle of trust and balance of benefits for all stakeholders.

Furthermore, the committee requested the Board's approval for processes and practices to raise the standard of the corporate governance for management and employees of the Company and subsidiaries. In 2014, the Board has approved revisions of several regulations for the corporate governance to meet with those of Thai Institute of Directors (IOD), the Securities and Exchange Commission (SEC) and ASEAN CG Scorecard, along with many other regulations that are compatible with IRPC's and beneficial to the stakeholders. These regulations include anti-corruption, directors' responsibilities, risk management, community and society assistance, all detailed in the Corporate Governance Report on page 45-67.

Thanks to its corporate governance practices, in 2014 IRPC has received various certifications and more than 10 awards both locally and internationally, a testimony to its excellent corporate governance. The key award includes being selected for inclusion in the Dow Jones Sustainability Indices (DJSI) Emerging Markets 2014 in the category of Oil & Gas Producer. The assessment criteria consist of 3 dimensions – Economic Dimension, Social Dimension and Environmental Dimension. For the aspect of corporate governance assessed under the Economic Dimension – comprising corporate governance, risk and crisis management and codes of conduct/compliance/anti-corruption – IRPC has earned a score of up to 93 out of 100.

IRPC has also been certified as a member of Collective Action Coalition against Corruption (CAC) by Anti-Corruption Organization of Thailand on April 4, 2014. The Company also won a Golden Peacock Global Award for Excellence in Corporate Governance 2014 and its score landed among the highest in the ASEAN CG Scorecard conducted by Thai Institute of Directors Association (IOD). Channel News Asia and CSR Asia have ranked IRPC as one of 20 leading companies in Asia with the most sustainable development, while the SEC has awarded the Company the Most Improved CSR in CSR Recognition Awards 2014.

The Corporate Governance Committee pledged to maintain IRPC's high standard of corporate governance and continue to make further improvements for long-term success, while ensuring the benefits of all shareholders and stakeholders, as well as the progress and sustainable growth of the Company.



(Mr. Watcharakiti Watcharothai)
Chairman, Corporate Governance
Committee

Corporate Good Governance Report

The Board of Directors by Corporate Governance Committee governs to ensure that the business is properly conducted according to national and international standards and regulations. They also govern the business conduct to be in accord with Corporate Governance and Code of Conduct.

Achievements in 2014 that reflects the Company's Best Practice are as followed;

International Level

- For the first year, IRPC has been selected to be a member of Dow Jones Sustainability Indices (DJSI), in category of Emerging Markets 2014 of Oil & Gas Producer.
- IRPC received a Golden Peacock Global Award for Excellence in Corporate Governance 2014 for the second time since 2012.
- IRPC was enhanced from Active to Advanced by UN Global Compact on Communication on Progress, which is the highest level of the report.
- IRPC made Sustainability Report 2014 to be in accord with GRI G4 for thorough and extensive report.

ASEAN level

- IRPC was evaluated by ASEAN CG Scorecard from Thai Institute of Directors Association (IOD). The Company is one of 17 registered company that is in the highest score group (above 90 points) in the project of Corporate Governance Report of Thai Listed Companies (CGR) based on ASEAN CG Scorecard of 2013/2014.
- IRPC received Corporate Governance Asia Recognition Awards 2014 in category of Outstanding Companies on Corporate Governance and Company Secretary of the Year Award 2014 from Corporate Governance Asia Magazine, Hong Kong.

National Level

- IRPC was rated in the project of Corporate Governance Report of Thai Listed Companies (CGR) 2014 as Excellence (5 star level) by Thai Institute of Directors Association (IOD) for 6 consecutive years (2009 – 2014). In 2014, IOD improved and strengthened the criteria to be in accord with ASEAN CG Scorecard.

- IRPC received a Member Certificate of Collective Action Coalition against Corruption (CAC) from Anti-corruption Organization (Thailand) in April 4, 2014. It's certified that the Company has complete and full Anti-corruption policy and procedure as determined by CAC.

- IRPC was rated by Anti-Corruption Progress Indicator as Level 4 (Certified) from the Office of the Securities and Exchange Commission (SEC) in October 15, 2014.

Corporate Governance

IRPC Public Company Limited aims for sustainable business growth, therefore; the Company has stipulated Corporate Governance and Code of Conduct which are carried forward and governed by the Board of Directors. The Company has published Corporate Governance handbooks since 2006 which is signed to acknowledge by the Board of Directors, management and all employees. The principles are taken into action with effect in the Company and its associated companies. Various activities are held to enhance understanding and emphasize the principles through the organizational communication such as I-Oon Pamphlets and Intranet, etc.

The Company has reviewed and improved Corporate Governance principles in the Handbook to be accord with CGR's principles, 2014 Revision. Thai Institute of Directors Association (IOD) adds ASEAN CG Scorecard and CAC, so that the principles become increasingly intensive. As the result, the Company has been rated as Excellence (5 star level) in 2014.

Moreover, the Company applies and implements international standards such as Promotion of Human Right, labor, environment and anti-corruption to comply with UN Global Compact, which are to be appended with Corporate Governance and Code of Conduct. Details of four procedures were stated in the Sustainability Report 2014.

The Board of Directors determines Corporate Governance and Code of Conduct and the principles are acknowledged and put into practice by the Board of Directors, Executives and all employees of the Company and its associated companies. The Board of Directors has stipulated IRPC's corporate governance as followed;



1. The Board of Directors are committed to put into practice the Company's six corporate governance principles as followed; Creation of Long Term Value, Responsibility, Equitable Treatment, Accountability, Transparency and Ethics or CREATE.

2. The Board of Directors shall perform their duties with determination, responsibility and independence. The Company shall explicitly segregate the roles and duties of the Chairman of the Board from the President.

3. The Board of Directors has crucial role in determining the corporate vision, strategies, policies, and action plans, through taking risk factors and management direction into consideration. Furthermore, the Board shall ensure that the accounting system, financial report and accounting audit are reliable.

4. The Board of Directors has crucial role in determining Anti-Corruption policies and related mechanisms in order to prevent the corruption and become the Company's principle as a good organizational culture. Moreover, the Board shall oversee, govern, prevent and correct the issues related to conflicts of interest and related transactions.

5. The Board of Directors shall be the leader in ethics and role model in corporate governance practices.

6. The Board of Directors shall appoint sub-committees as appropriate to help review important matters with prudence.

7. The Board of Directors shall assess the annual self-appraisal as a framework of assessment of the Board's performance.

8. The Board of Directors shall set forth the code of ethics of the Company and enforce the Board, executives and employees as well as contractors to put into practice along with the Company's regulations.

9. The Company shall provide shareholders and stakeholders with sufficient, reliable financial and non-financial disclosure in timely manner so that the shareholders and stakeholders are equitably informed. The Investor Relations Department and the Public Relations Department are responsible for disclosure to investors and the public.

10. The Company's shareholders shall gain equitable treatment from, information technology accessibility to and suitable communication channels with the Company.

11. The Company suitably applies the systematic selection approaches for all important executive levels as well as transparent and fair recruitment procedures.

IRPC's activities under Corporate Governance principles according to the Stock Exchange of Thailand (SET)'s Corporate Governance Principles for listed companies (2006 and 2012) can be summarized as followed;

1. Rights of Shareholders

IRPC acknowledges that its shareholders are the Company's owner, therefore; they have rights to determine its business direction and make decisions that might have significant effects on the Company and its stakeholders. As the result, the Company provides the shareholders all legal rights such as rights to attend the meeting of shareholders, express their opinion,

vote, propose a meeting's agenda in advance, elect or remove the directors, make a decision on the Directors and Auditors' remuneration and the shares of profits and dividends and obtain adequate, timely, complete and easily accessible information for making a decision. The Company promotes the use of the shareholder rights as followed;

1.1 Shareholders' Meetings

IRPC schedules an annual general meeting of the shareholders within four months of the annual closing date of its accounting books. In the event of urgent, special agenda, or matters of shareholders' interest or matters that are related to its conditions, regulations and laws that require shareholders' approval, the Company shall call an extraordinary meeting of the shareholders on case by case basis.

In 2014, the Board of Directors Meeting No. 2/2014 held on 18 February 2014 passed a resolution to hold a meeting of shareholders of 2014 on 9 April 2014 at Room EH 105 Bangkok International Trade & Exhibition Centre (BITEC), 88 Bangna-Trad Road (Km.1), Bangna, Bangkok. No extraordinary meeting of the shareholders was called in 2014.

1.2 Delivering Meeting notice

The Board of Directors Meeting No. 2/2014 held on 18 February 2014 passed a resolution to set the Record Date for determining meeting's attendee rights and shareholders to receive their dividends on 5 March 2014. It also passed a resolution to hold a meeting of shareholders of 2014 on Wednesday, 9 April 2014. The meeting's resolution, date, time, venue and meeting agenda were made available on Stock Exchange of Thailand's website to inform the shareholders ahead of the meeting at the date of resolution and before delivering the meeting invitation. Thailand Securities Depository Co., Ltd. (TSD) which is the Company's appointed registrar is responsible for delivering the meeting invitation with details of meeting agenda and information necessary for decision-making, including the directors' opinion. In addition, complete minutes of previous meeting, annual meetings, meeting document and document required for authorization and its procedures with important details were provided and delivered as well.

The Company informed the meeting date through www.irpc.co.th. The meeting invitation and accompanying documents were made available on the website on 7 March 2014, 33 days ahead of the meeting date and the meeting invitation was delivered 21 days ahead of

the shareholders' meeting date. Thailand Securities Depository Co., Ltd. (TSD) delivered the meeting invitation on 19 March 2014 and the invitation was announced through three Thai and English Newspapers for 3 consecutive days from March 31 to April 2, 2014 each. Moreover, the major shareholders, minor shareholders, and institutional investors were invited to attend the meeting through IRPC Newsletter No. 12/2014 which was delivered to all shareholders including the meeting invitation. The Company announced the news through various channels in order to inform the shareholders in advance, thus allowing shareholders to be sufficiently prepared for the meeting.

The Meeting invitation has the details of meeting agenda with objective and reasons specified, as well as important information for decision-making. For instance, in a voting for a director to replace the former one whose term expires, it specifies the nominated directors' names and profiles. In agenda of auditor selection, auditor's name, company, annual audit fee, relationship with the company and services for other companies are specified allowing shareholders to consider their capability and qualification. In dividend consideration agenda, dividend payment policy, amount of proposed dividend, the Company's turnover, accompanying information and reasons are included. The Directors' opinion are shown in every agenda.

In addition, in 2014 the Company provided an opportunity for the shareholders to submit an agenda in advance. The procedure was shown on the website from 25 September – 31 December, 2013. However, none of the agenda was submitted.

1.3 Conduct of Shareholders' Meetings

In Ordinary Meeting of Shareholders 2014, the Chairman of the meeting opened the meeting when the number of attending shareholders exceeded half of the total number of shares with voting rights. The meeting started at 09.30 o'clock as scheduled. There were 2,466 attending shareholders, in total of 13,112,057,228 shares or 64.17% which exceeded one third of the total paid-up and having voting rights shares of 20,434,419,246 shares, registered capital of 20,475,000,000 Baht. Therefore, the quorum was completed.

Before the shareholders' meeting, the Chairman introduced the Board of Directors, Executives, Auditors and Legal Advisor who acted as a mediator for the Shareholders, then the Chairman explained all rules and regulations related to the meeting such as the

procedure of one vote per one share, ballot use instruction, including vote counting of the shareholders who must vote for each agenda under IRPC's Articles of Association.

There were 13 directors out of 15 directors or 86% of directors attended the meeting. Chairman of the Board, Chairman of sub-committees, President and

executives consisting of top management and secretaries attended the meeting. The Chairman of the meeting gave an opportunity for major and minor shareholders to represent for the vote counting which was done by two volunteers. List of the meeting's attendees and the representatives for the vote counting are as followed;

Board of Director

Board of Director	
1. Mr.Chainoi Puankosoom	Chairman / Chairman of the Executive Committee
2. Mr.Cherdpong Siriwit	Independent Director / Chairman of Audit Committee / Chairman of Corporate Governance Committee
3. Mr.Woothisarn Tanchai	Independent Director / Member of the Executive Committee / Chairman of Nomination and Remuneration Committee
4. Mr.Watcharakiti Watcharothai	Director
5. Mr.Surong Bulakul	Director / Member of the Executive Committee / Member of the Nomination and Remuneration Committee
6. Mr.Sarun Rungkasiri	Director / Member of the Executive Committee
7. Mr.Kritsda Udyanin	Director
8. Mr.Narongkorn Chawalsantati	Independent Director
9. Mr.Jade Thanawat	Independent Director / Member of the Corporate Governance Committee
10. Mr.Trumph Jalichandra	Independent Director / Member of the Audit Committee
11. Mr.Woravit Chailimpamontri	Director
12. Mr.Sombat Narawutthichai	Director
13. Mr.Sukrit Surabotsopon	Director / Member of the Executive Committee / President / Secretary to the Board of Directors / Secretary to the Executive Committee

Executives

Executives	
1. Mr.Peerapong Achariyacheevin	Senior Executive Vice President, Petrochemical & Refinery Business Unit
2. Mr.Manit Suthaporn	Senior Executive Vice President, Corporate Lega
3. Mr.Chansin Treenuchagron	Senior Executive Vice President, Corporate Commercial
4. Miss Duangkamol Settanung	Senior Executive Vice President, Corporate Accounting & Finance
5. Mr.Wittawat Svasti-Xuto	Senior Executive Vice President, Corporate Strategy & Planning
6. Miss Oravan Leelarasamee	Senior Executive Vice President, Corporate Human Resources & Administration
7. Miss Monwipa Choopiban	Executive Secretary

Auditor

1. Mr. Wichian Kingmontri
CPA No. 3977 PricewaterhouseCoopers ABAS Limited.

Legal Advisor (responsible for inspecting the vote casting in case of conflicts throughout the meeting)

1. Miss Peangpanor Bunklum
Weerawong, Chinnavat & Peangpanor Limited

Vote Counter Representative

1. Mr. Tawatch Kijkangwan
Representative of the major shareholders

2. Miss Kobsakao Iamsuree
Volunteer of the attending shareholders

Shareholders (at the closing of meeting at 13.05 PM)

There were 3,875 shareholders attended the meeting. 2,020 shareholders attended the meeting themselves and 1,855 were authorized to attend the meeting. The total number of shares was 13,408,706,116 shares or 65.62%.

Before the meeting, the Chairman explained all rules and regulations related to the meeting such as the procedure of one vote per one share, including ballot use instruction and vote counting of the shareholders who must obviously vote for each agenda under IRPC's Articles of Association. After such explanations, the chairman provided an opportunity to all attendees to present their opinions and suggestions and make queries independently and fully before voting. They were given appropriate and sufficient time to debate and the chairman and executives answered the questions clearly and relevantly. Then, the meeting casted the votes and the voting cards were collected and separated into each agenda. The result was reported by giving clear details of numbers of agreeing, disagreeing and abstention votes in order to prevent confusion.

For the agenda for the Directors election agenda, the Chairman made each of shareholders vote individually and the Chairman requested the Directors who involved with any agenda to leave the meeting room according to the Company's Good Corporate Governance. The meeting was conducted by the Chairman according to the agenda, and there was no any additional agenda submitted without prior notice to the shareholders. In

2014, there was no any additional agenda submitted from the shareholders.

The Company provided correct and accurate minutes of meeting, and the voting results were summarized, as well as counting the vote numbers. Moreover, the Company provided translators/interpreters to ensure accurate clarification to foreign shareholders' queries. The meeting took 3 hours 35 minutes.

The Company delivered the minute of meeting including IRPC Newsletter, No. 13/2014 to the shareholders via postal mail. None of the shareholders requested an amendment.

Aside from the basic procedures, the Company held an Ordinary Shareholders' Meeting under "the Green Meeting" Concept of Thailand Business Council for Sustainable Development (TBCSD) and Thailand Environment Institute (TEI) consecutively for the second year after earning Green Meeting certification from the institutes in 2013. The Company promoted the Green Meeting concept to the shareholders before the meeting, as well as publicizing the concept to the public through various channels such as the Company's website, IRPC Newsletter No. 12/2014 and I-Oon Journal for its employees. Moreover, the Green Meeting Concept is used in the IRPC's Board of Directors' Meeting.

1.4 Guideline for Conflict of Interest

The Company adheres to the Good Corporate Governance to solve any conflict of interest that might occur during the meeting. Therefore, stakeholders who have conflict of interest with the Company are required to inform the meeting, exclude and abstain from the voting.

In the Ordinary Meeting of Shareholders in 2014, the Directors or Executives who involved with a certain agenda such as an appointment of director to replace the former one whose term expire, the following directors; 1) Mr. Watcharakiti Watchrothai 2) Mr. Kritsada Udyanin 3) Mr. Woravit Chailimpamontri and 4) Mr. Sombat Narawutthichai left the meeting room during the meeting and voting, and returned to the meeting after the agenda ends which is in accord with the Company's Corporate Governance.

1.5 Disclosure of the Meeting's Result

In 2014, the Company submitted the summary of the minutes of the meeting to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission on the same day after the Meeting was



over in April 9, 2014. The Company delivered to the Stock Exchange of Thailand the minutes of shareholders' meeting which recorded significant and complete details that were clearly divided into each agenda. It consisted of contents of the meeting, present and absent Directors, queries from the shareholders, their answers from the Directors and Executives, details of vote casting, vote counting, clear and complete results of the voting for each agenda, including the agreeing, disagreeing and abstaining votes. The meeting minute was submitted in April 22, 2014, which is in accordance with Stock Exchange of Thailand's regulations.

In addition, the Company has made available the minutes of meeting via post and on the Company's website (<http://irpc-th.listedcompany.com/misc/shareholderMTG/AGM2014/20140515-irpc-agm2014-minutes-th-02.pdf>). In addition, the minutes of meeting has been shown as a video showing picture and sound of the Meeting on the Company's website so that the shareholders are informed and other interested persons have the opportunity to learn about IRPC.

1.6 Channels to Communicate with the Shareholders

The shareholders and general investors are provided with various channels to contact IRPC for information, explanation or needs to;

- Investor Relations Department:
 - (1) Telephone: 0 2649 7380
 - (2) Electronic Mail: ir@irpc.co.th
 - (3) Fax: 0 2649 7379
- The Company secretary
 - (1) Electronic Mail: cg@irpc.co.th
 - (2) Website: www.irpc.co.th link to: "Contact Company Secretary"

2. Equitable Treatment of Shareholders

IRPC recognizes the shareholders' rights and treats all shareholders with equity and fairness disregarding gender, age, race, nationality, religious belief, disability, political belief, or number of shareholding. IRPC provides all major and minor shareholders and institutional investors with fair, timely, adequate access of information and the shareholders are facilitated to make the meeting of shareholders convenient for them.

Moreover, the Company does not neglect the equitable treatment of shareholders, e.g., stock buyback. In 2014, there was no buyback of stock by the Company.

2.1 Promotion of all Shareholders' Rights to Attend the Meeting

Recognizing that the shareholders are the Company's owner, their opinion and decision-making are vital for the company's business progress. Therefore, the Company encourages its major and minor shareholders and institutional investors domestically and internationally to attend the meeting of shareholders. Such shareholders and investors were invited to attend the meeting through Newsletter No. 12/2014. In 2014, the Annual Shareholder Meeting was held on 9 April 2014 and no extraordinary meeting was called.

IRPC delivered the meeting invitation to the shareholders in advance through various channels as mentioned above in page 47.

2.2 Submission of Additional Agenda

IRPC stipulates policy, principle and procedure to submit additional agenda by minor shareholders. In 2014, the Company facilitated the minor shareholders with at least 4% (single or combined shareholding) of total shares in exercising their rights to put forward

an agenda in advance of Annual General Meeting via post, fax or IRPC's website.

In 2014, the Company publicized the regulations and procedures to exercise the rights via SET's channel and IRPC's website from September 25 – December 31. However, no such agenda was submitted by the shareholders.

2.3 Facilitating Shareholders at the Date of Meeting

IRPC recognizes rights of all types of shareholders equitably, therefore; the company facilitates its shareholders in various ways. For instance, the Company convenes the meeting at a convenient venue to accommodate the shareholders and easily accessible by personal car, the public transport system, BTS and MRT. The method of transportation is explained in details in the meeting invitation and the Company provides transportation vehicle between BTS and MRT to the meeting venue, which is spacious enough for the number of shareholders. Moreover, there are officers to facilitate the elderly and disabled with specific space for wheelchairs.

For the registration, the Company provides receptionists to give advices and facilitate the shareholders who attend the meeting by themselves and their assigned person. Examination of registration credentials and registration is opened two hours ahead of the meeting. The registration starts from 07.30 o'clock and the meeting starts at 09.30 o'clock. To allow sufficient time, Barcode system is used for convenience and accuracy of the registration. Some equipment is provided such as photocopying machine. In addition, the Company provides translators/interpreters to ensure accurate clarification to foreign shareholders' queries and officers at exhibition zone to explain and answer the shareholders' queries.

2.4 Proxy

The Company encourages all shareholders to attend the meeting to join the Company's decision-making. However, if any shareholder cannot attend the meeting, the Company facilitate him or her to assign any person or an independent director (from five independent directors who has no interest in the meeting, as stipulated in Proxy Form under the regulation of Ministry of Commerce which is delivered with the meeting invitation) to attend the meeting and vote for the shareholder without any condition. In case of the proxy, the Company recognizes the proxy as if he or

she is a shareholder. IRPC announces the procedures of proxy and required documents including various details on the Company's website more than 30 days (33 days) ahead of the meeting. The shareholders are provided with three types of proxy. The three types of proxy forms; A, B and C are available for downloading, and only A and B types are delivered by postal mail with the meeting invitation.

For the Ordinary Meeting of Shareholders in 2014, 1,855 assigned persons attended the meeting, in the total of 13,284,070,548 shares or 65.01%.

3. Roles of Stakeholders

The Company takes into account the benefits of internal and external stakeholders. It treats stakeholders with fairness for their maximum benefits. The Company performs according to Corporate Governance which is promoted by Thai Institute of Directors Association. Moreover, the Company is willing to promote the stakeholders according to international standards such as UN Global Compact which promotes labors, human right, environment and anti-corruption (*details as shown in the Sustainability Report 2014 and Annual Report on Organizational Responsibilities page 132 – 157*).

3.1 Shareholders/Investors

IRPC highlights the importance of all shareholders with fairness. The Company is committed to creating added value in the long run and to providing investment returns for the benefits of shareholders with focus on making profits from the practice and shares of profits (dividend) fairly together with creating confidence for the investors and adhering to Corporate Governance.

The company provides various channels to communicate with the shareholders via one-way and two-way communication, e.g., Domestic and international road shows, meetings with the Company's executives at the appointment of investors and analysts (Company visit), meeting with analysts (Analyst Meeting), activities with SET, delivering shareholders newsletters, etc. In 2014, the Company organized activities for shareholders/investors as followed;

- Domestic and international Roadshows, meetings with the Company's executives at the appointment of investors and analysts (Company visit) to regularly provide information on the Company's performance and investment, in total of 33 times



- Quarterly analyst meetings
- Joint activities with SET to disseminate IRPC's information at
 - (1) "Money Expo" on May 8 – 11, 2014
 - (2) "SET in the City" on November 20 – 23, 2014
 - (3) Opportunity Day on March 5, 2012 and August 20, 2014
- Providing news to the press and the public through press releases, providing information and document and interviews of executives, joint activities with the media for 54 times and 40 press release were distributed
- Organizing plant visit project for the shareholders on October 9, 2014. The number of 400 shareholders was randomly selected from the applicants, who have never visited the plant before, delivered via postal mail to visit the plant, IRPC's port and investment projects under the construction in order to foster understanding of business and strengthen relationships. The shareholders were given a chance to participate in CSR activity with Camillian Social foundation in Rayong. Moreover, the shareholders visited HTMS Chakri Naruebet Warship to learn about the use of IRPC's port as the Royal Thai Navi's reserved port in an emergency.
- Quarterly Shareholders' Newsletters are mailed to all shareholders, with information on IRPC's turnover, business activities, CSR, and Corporate Governance. In 2014, the Company made four Newsletters which were mailed and presented as an electronic form on IRPC's website.

IRPC makes yearly survey on satisfaction of shareholders in order to improve its performance. The Company makes an assessment of 2014's annual shareholder meeting through AGM Checklist stipulated

by for Thai Investors Association. The score was 94.75/100. In addition, IRPC organized a survey on general satisfaction on the Ordinary Meeting of Shareholders in 2014 using its assessment form and the score was 82.61% which was higher than the result of 2013, 81.97%.

Furthermore, in 2014 the company received an award that confirmed its efficiency, especially related to shareholders, such as Corporate Governance Asia Recognition Awards 2014: Best Investor Relations by Company in 2014 from the Corporate Governance Asia Magazine, for transparent disclosure of information and fairness to shareholders and stakeholders.

3.2 Customers/Consumers:

IRPC focuses on sustainable conduct of business, so it is committed to developing and upgrading its goods and services as well as strictly abiding by laws and Code of Conduct. It will in no way abuse consumers under the Consumers' Law and the Competition Law. The Company creates standard and reliable systems for the customer's transactions, and emphasizes on services before and after sale. The Company uses internet innovations for convenient, transparent and safe transactions on cell phones such as iRON, iDEAL, iPORT that reduces mistakes in document handling, and is in time for the volatility of the market.

In addition, IRPC also continuously create innovations for the customers and consumers' benefits and good quality of life. Such innovations are environmental friendly with focus on safety of use such as BANBAX, special plastic pellets that compounds anti-bacterial base, Green ABS that uses natural rubber to replace synthetic rubber, Natural Color Compound, plastic pellets that uses natural color, etc. On 30 May 2014, IRPC and Foundation of H.R.H. the Princess Mother collaborated to study and develop "Knee prosthesis for Kids" from Ultra High Molecular Weight Polyethylene

(UHMW-PE) with well-accepted medical standards so the Company's products were able to sustainably and truly benefit and help the Society. This also developed and promoted the products to the wider public, besides sending the staff to voluntarily participate in the "Repair for Happiness" activity and providing prosthesis service.

The Company makes annual survey on the customers' satisfaction in order to improve its goods and services. According to the survey of satisfaction for the petroleum business area in 2014, the score was 88% which is in accord with the target. Moreover, the satisfaction scores in 2014 for the petrochemical business area were 90.8%, which is higher than the target of 88%.

3.3 Business Partners

IRPC emphasizes on its business partners who are significant stakeholders to push forward the business. The Company adheres to its Code of business conduct in dealing with business partners and contractual parties with accountability and transparency. Profits of the Company and contractual parties are in harmony based on fairness, transparency and accountability.

IRPC has done business with over 4,000 vendors who supply raw materials, chemical, machinery, spare parts, and equipment used in production processes. Therefore, the Company has set up Green Procurement system which is fair, transparent and accountable. IRPC's procurement is under the IT system on a par with international standards. The Company uses strict procurement system with uniform standards for the whole organization and which is efficient in compliance with the Code of Conduct and Corporate Governance. Furthermore, the Company is committed to CSR principles among its business partners by defining criteria for partner selection before recording them on the Approved Vendor List. For example, a chemical vendor must be certified for environmental standards and the ISO international standard. It also upgrades the employees' potential in strategic ability and increases the effectiveness of the procurement for professional operations under DELTA project on Procurement Excellence.

3.4 Competitors

IRPC adheres to the principles of free enterprise and promotes free trade. The Company stipulates policy and Best Practice for fair competition. IRPC does not seek wrongful benefits or information that represents its competitors' trade secrets through dishonest means

and it does not use false accusation to damage its competitors' reputation.

In the past, IRPC was never engaged in any dispute with its competitors.

3.5 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, disclose accurate and true information, and does not cover up information or facts that may harm creditors. IRPC has stipulated in its Best Practice that if it cannot honor the contracts, it must notify its creditors in advance to jointly solve problems.

In the past, IRPC has never missed an appointment, caused breach of contract and it was never engaged in any dispute with its creditors. Moreover, in 2014 the Company organized an event to celebrate issuance and offering of Debenture with the name of the holder specified, subordinated, unsecured and without representative 1/2014 in the total amount of 15,000 million Baht to show gratitude and build good relationship with six banks, i.e. Kasikorn Bank, Bangkok Bank, Krungthai Bank, Siam Commercial Bank, Krungsri Bank and Thanachart Bank as the sellers of debentures. The event was organized as a CSR manner by providing scholarships for a school and improving the education quality through "One for Nine" project under National Education Standards and Quality Assessment (Public Organization). This activity received cooperation from various educational and private sectors in order to enhance the quality of education, to reach higher standard as targeted.

3.6 Employees

IRPC emphasizes on the improvement and development of quality of its human resource. Since employees are vital for the organization, the Board of Directors stipulates policy and guideline for human resource management to be on a par with international standards. The Company sets up a systematic process which starts from nomination and selection steps, human resource development, assessment of employees' performance, promotion, provision of compensation and welfare for employees from all levels fairly based on Key Performance Indicators (KPIs) including taking care of them in various aspects. This aims to promote healthy and happy working environment and enhance quality of employees' lives.

In 2014, the Company had policy to improve the performance of human resource management through



KPIs were deployed to management of all functions, with objectives and implementation structure matrix which were aligned and synchronized through out th organization.

HR Excellence program. It is one of the programs under DELTA project to develop organizational excellence and increase efficiency of performance for all aspects. Human Resource Department and all departments cooperated to perform according to HR Excellence with great determination (details shown in the Performance Report page 79 and 101). For training of employees and executives, the Company provided the training hours for the employees in an average of 30.46 hours each. In addition, IRPC has also organized activities to promote their right and freedom through various approaches as followed;

Promotion of Corporate Governance and Anti-Corruption

- Anti-Corruption seminar was organized for executives and employees on 3 July 2014, with an expert from Pricewaterhouse Coopers ABAS Limited that was the lecturer and 400 executives and employees attended the seminar. It has been stipulated in work program of 2015 and 2016 that all employees will be trained.
- In 2014, IRPC was the host for “PTT Group CG Day 2014” together with PTT under the concept of “the Power is in Your Hands”. Dr. Pailin Chuchottaworn, President and Chief Executive Officer of PTT Public Company presided over the event, including top management from 7 associated companies of PTT, on Monday 15 September 2014 at Synergy Hall, 6th Floor, Energy Complex center, Building C. It aimed to campaign and create a good sense to stop all types of corruption for all employees from all levels from PTT according to Corporate Governance, in order to fairly meet all stakeholders’ needs and become a necessary basis for sustainability.
- Office of Corporate Internal Audit held a ceremony to present “Diamond Award” for 2014 which has been

held for consecutive four years since 2011. It aims to praise units with outstanding and transparent internal controls. The objective is to promote good and effective control system for the organization which is a root of Corporate Governance. In the ceremony to present “Diamond Award” on 10 October 2014 at Energy Complex, Building B, Mr. Cherdpong Siriwit, Chairman of the Audit Committee, presided over the award ceremony, as well as Mr. Triumph Jalichandra, Mr. Pramual Chanpong, Audit Committee, and Mr. Sukrit Surabotsopon, President.

Health Promotion

- IRPC organized annual medical check-ups for all employees from 28 January - 27 March 2014. It included general health check-ups and intensive check-ups for employees who work in risk areas such as plant, oil depot, etc. in order to follow up their health conditions and ensure that all employees and executives are healthy.
- IRPC provides welfare for employees and their family in a form of health care expense claim, health insurance and other appropriate benefits to be on par with other leading companies in the same business.

Promotion of Freedom of Expression and Organization (Labor Union) and Communication with Employees for Understanding

- IRPC gives employees an opportunity to form Labor Union and Executive Union. Employees are encouraged to express their opinion to protect their rights and benefits, through Employee Committee and Labor Union, chaired by the President. Moreover, for the whole year President and executives together with Labor Union organized joint events to reinforce good and closer relationship such as annual party for Labor Union members, CSR activity to give a Buddha image to Lang temple, a merit-making ceremony on the occasion of the 14th anniversary of the union of IRPC



Anti-Corruption training

and its associated companies, 8 unions in total, on 25 November 2014, etc.

- The Company organized “The President meets Employees” when Mr. Sukrit Surabotsopon was appointed in October 2013. The President visited employees on all sites to meet them in person. It was a good opportunity to address policy, gain information and ask employees about their living conditions and difficulties. The result is reported every quarter in a meeting room combined with VDO Conference and it is also broadcasted through Intranet. Employees from all areas are able to watch the event and ask questions. Such communication is also enabled through the Message from the President and video clips periodically.
- The President chaired the Management Committee Meetings, attended by all executives for the level of EVP and higher on a weekly basis and VPs on a monthly basis.

Morale Support and Encouragement

- IRPC has the project to present gifts to employees who complete their 10th, 20th, and 30th year of service
- IRPC hosts a reception for retired employees to honor and encourage them for their dedication to the Company

Promotion of Ethics, Religion, Traditions, and Organizational Culture

- IRPC organizes an activity to promote ethics, through continual training on Development of Mind and Wisdom for employees organized by the Young Buddhists Association of Thailand.
- IRPC annually organizes Buddhism promotional activities and sermons at IRPC’s various auspicious occasions such as the New Year, IRPC’s anniversary, and major religious occasions, etc.
- IRPC hosted the annual 2013 Presidential Awards on May 7, 2014, for distinguished employees who dedicated themselves to the organization and being good model. The awards were divided into four dimensions, namely Distinguished relations with external communities, Creation of value added, Distinguished behavior, and Distinguished behavior on safety, in order to strengthen the organizational culture.

Promotion of Education

- IRPC hosted a ceremony to present scholarships to employees’ children on October 14, 2014, for 300

scholarships classified into 2 types; 210 scholarship for those with good scholastic performance and 99 scholarships for those with good behavior and outstanding performance in various fields, in order to encourage awareness of ethics, behavior, and social engagement of the employees’ children. The ceremony is hosted every year.

Respect for copyrights and intellectual properties

- IRPC campaigns and promote awareness among employees to respect copyrights and intellectual properties. To achieve this, IRPC campaigns and encourage employees on compliance with the Copyrights Act B.E. 2537 (1994), and the “Application of IRPC’s Computers and Network System” policy has been designed to prohibit employees from using illegal programs or software. IRPC’s review and periodic inspections are organized to help prevent infringement of others’ rights.

IRPC conducts an annual Employee Engagement Survey to develop on the strengths and improve on the weaknesses. The score of the survey for 2014 was 79.14%, compared to 2013 at 78.98%.

3.7 Society and Community

IRPC emphasizes on sustainable development, so it values the stewardship of society, communities, and the environment by embracing the Creating Shared Value (CSV) embracing with stakeholder concept through planning and operation for transparency and social benefits as well as minimizing impacts from its production. Details are shown in Corporate Social Responsibility Report page 132 - 157.

Society and Community

Through all the year 2014 executives and employees cooperate and attend many volunteering activities for benefits of various groups such as community, disabled, underprivileged people, children, women and elderly, etc. to be in accord with UN Global Compact and UNICEF. The Company adapts such principles to Thai Society and its CSR policies.

- The Company was one of the associate members of “Give Woman a Second Chance” 11th project at Thanyaburi Female Prison, Patumthani together with Business and Professional Women’s Association of Thailand - Bangkok and other 11 organizations i.e., Business and Professional Women’s Association of Thailand - Pathum-Non, Business and Professional Women’s Association of Thailand - Samutprakarn, Zonta Club - Bangkok 5 Zonta - Bangkok 2 Zonta Club



- Bangkok 1 Distinguished mother Club Bangkok, Lions Club of Donmuang, Kiatnakin bank foundation, Thai-Chinese Chamber of Commerce for Women, Project of Doctor of Philosophy Program in Development Administration - Suan Sunandha Rajabhat University, and Soroptimist International Club of Bangkok. It arranged the occupation development activity-academic and mind development, build a good consciousness to 3,400 female prisoners through over 54 training courses from 15 July - 29 August 2014 in accession of 12th year of Thai Women's Day, in order to dedicate merit to Her Majesty Queen Sirikit 82th Birthday ceremony on 12th August, 2014.

- IRPC provided 12 scholarships to orphans, lacking and underprivileged children in the ceremony hosted by The Thai Muslim Women Foundation of Thailand for the Welfare of Orphans under the Royal Patronage of His Majesty the King on July 12, 2014. The scholarships were given to pre-school, elementary and secondary students and high vocational and undergraduate students, two per each level.
- "One for Nine" Project to improve educational standards under National Education Standards and Quality Assessment (Public Organization). It is an innovation that conforms to Thai's hospitality culture and values and the Company's intention to conduct its business based on CSR concepts. The Company shall help schools according to their needs and necessities through various activities such as cooperating with six banks to provide school fund. It also promotes guideline of "CSR for Educational Quality Improvement" concept through its executive in the meeting of the third "One for Nine Charity" in 2014 hosted by National Education Standards and Quality Assessment on 22 August 2014. The Company also organized Knowledge and Ethics Camp, O-Net Tutor for schools in Bangkok, and Repair for Happiness project for two schools in Burirum, etc.



Environment and Safety

IRPC has defined a policy on responsibility for society and environment by focusing on developing IRPC's growth in parallel with development of the quality of life of people in society with a clean and safe environment. Currently, the environment care is vital policy for the country and in focus of the world. As an industrial business operator, the Company volunteers to conduct industry business in parallel with sustainable environmental development.

IRPC also focuses on compliance with law, Quality, Safety, Occupational Health and Environmental (QSHE) control, and QSHE guideline as stipulated in Corporate Governance Handbook. Moreover, it has continuous operation improvement. IRPC's activities in 2014 were as followed;

- Review of Quality, Safety, Occupational Health and Environmental (QSHE) policy
- Project of ECO Industrial Zone: EIZ with MOU to enhance the development of ecological industrial zone between Provincial Industrial Works Department, Rayong, and IRPC's industrial zones on March 19, 2014 at Golden Tulip Hotel, Bangkok. The project was continuously carried out throughout the year.
- Development of Pollutant Release and Transfer Registers (PRTR) system which was developed by the Company, its advisor, Japan International Cooperation Agency (JICA) and the Department of Industrial Works.
- Continuously communicating outcomes of air quality testing and various information with the Communities via screens showing air quality testing results of three zones, namely around the Ban Laeng Subdistrict Administrative Organization, around the Tambon Ban Kon Nong Health Promotion Hospital, and in front of the industrial estate in Rayong.

- Communicating and educating about QSHE by the Company's executives who attended various projects as followed;

- Training program for natural resource and environmental management 3rd gen under Office of the Permanent Secretary, Ministry of Natural Resources and Environment at Environmental Research and Training Center, Klong 5, Pathumthani
- EHIA report training for academics from government and private sectors who attended "Environmental Health Impact Assessment (EHIA)" hosted by Faculty of Tropical Medicine, Mahidol University
- Basic Safety, Occupational Health and Environment Management Training for practical employee of PTT Public Company Limited.
- Lesson Learned Activity "HA1 Process Safety Incident" at the safety day for practical, management and oil depot employees, Oil Business Unit for the 23th hosted by PTT Public Company Limited

- Other activities to promote safety and environment as shown in *"Quality, Safety, Occupational Health and Environmental (QSHE) Management"* page 134 - 143

According to IRPC's performance of quality, safety, occupational health and environmental management, the society and environment satisfaction survey 2014 of Rayong Community revealed a score of 88.82%, and the Company will use the result to improve its performance.

In addition, in 2014 IRPC received various awards that confirmed its strength and sustainable growth, for instance, Best Sustainability Report award 2014 from Thai Listed Companies and CSR Club supported by Office of the Securities and Exchange Commission and Thaipat Institute, "Honoring Outstanding Achievement in the category of Corporate Social Responsibility Excellence" from Ministry of Social Development and Human Security under slogan "People Happy, Best company, Grow up social" in occasion of 12th year anniversary and "CSR Recognition 2014" category of Most Improved CSR from The Stock Exchange of Thailand, etc. Furthermore, IRPC was ranked in a top 20 of Asia sustainable companies from News Asia Channel together with CSR Asia and Sustainability Institute and ranked one of 100 securities outstanding on Environmental, Social and Governance (ESG 100).

3.8 Significant Conflicts with Stakeholders

IRPC was never engaged in any significant conflict with its stakeholders.

4. Disclosure and Transparency

The company has regularly disclosed the information to the stakeholders and the information is dispersed through the Stock Exchange of Thailand, the Securities and Exchange Commission, mass media, electronic media, and the company's public relations. The disclosure of information creates reliability and transparency which builds confidence among investors and all stakeholders. IRPC determines policy and guidelines for information disclosure and also follows them strictly since we realize that the investors and all stakeholders should know the correct, accurate, and up-to-date information as follows:

4.1 Commission's Financial and Non-Financial Reporting

The company makes the reports following the guidelines set by the Securities and Exchange Commission. Financial and non-financial information is available on a variety of communication channels as follows:

- Reports on the stake of committees
- Important news and financial statements available on the Stock Exchange of Thailand
- 2013 annual report that features financial statements and the company's performance report
- 2013 Corporate Sustainability Report is made for communicating the management guidelines and economic, social and environment performances. The company adopts Sustainability Reporting Guidelines by Global Reporting Initiative with the GRI G3.1 Level A, 2014 Corporate Sustainability Report is GRI G.4 version in order that the disclosure of the information meets international standards and can be assessed in accordance with the core level. The information is reviewed by the external agency to build reliability and sent to the shareholders together with annual report. Moreover, it is available on the company's website.
- The Communication on Progress report is presented to UN Global Compact. IRPC is an associate member and committed to the operation and performance report following the UN Global Compact guidelines. The company joined the UN Global Compact in 2011 and the reporting was upgraded for the GC Advanced Level in 2014. The GC Advanced Level is the highest level of reporting. IRPC has produced the reports and they are available on the company's website. The electronic version of reports is sent to the UN Global Compact website (www.unglobalcompact.org).



4.2 Reporting to Investors and Shareholders

Because investors and shareholders are the most important stakeholders, IRPC places its attention to the disclosure of the information that is transparent, reliable, correct, complete, and up-to-date for their decision making.

The company discloses both direct and indirect information and the investor relation unit serves as intermediary who reveals the information to the investors and who is in charge of financial reporting process. For example, investor relation presents financial statement and information that the company reports to the Stock Exchange of Thailand, including a quarterly management discussion and analysis report. The corporate communications department publicizes and discloses the information related to the company to the people. The department also produces IRPC Newsletter on a quarterly basis to disperse and make the investors known about the company performance, including other related activities held all year. The IRPC Newsletter will be sent to the shareholders by mail and can be found on the company's website (See 3.1 Shareholders/Investors).

4.3 Complaints and Information Access

The company emphasizes on the transparent operation and disclosure of the information. If the stakeholders are affected by any company's operations, they can submit their complaints to the company and the company would carry out the investigation and improve the operation.

IRPC also provides the opportunity for the internal and external stakeholders to submit their complaint through various channels and the Office of Internal

Audit is in charge of those complaints and conducts the investigation according to the policy. Besides, the company has the policy to protect a person who submit a complaints for their safety. The following are the channel for the submission of complaints.

- Telephone: 038-802-560 (24 hours)
- Website: http://www.irpc.co.th/cg_contact.php
- Email: auditor@irpc.co.th
- Mail box: 35 Sun Towers Bangkok, 10905, a new channel available in October 2014

In 2014, the company received about 20 questions, comments, complaints, and recommendations the majority of which are the recommendations for the operation.

5. Board Responsibilities

The Board has a role in determining the direction of the company in accordance with shareholders' resolutions. In addition, the Board controls and monitors the management according to the set standards, compliance with the laws and regulations, and the goals. The Department of Organization Affairs, the Department of Anti-Corruption, and the Department of Practices Compliance must be founded. Besides, the Department of Company's Meeting and Secretary must be under the supervision of the Office of Organization Affairs. All the directors are able to devote themselves perform their duty sufficiently and effectively. Policy, responsibilities, and good practices for the Board are detailed in the Corporate Governance Handbook and in the Management Structure, page 163-165.

5.1 Sub-Committees

With the important role of committee, the company's committee specified the committee structure to perform the assigned tasks effectively. IRPC establishes four special issue committees to take care of particular issues, sets the policy and guidelines for good practices, and oversees the committees. In 2014, the company's committee reviewed and improved the special issue committee charters. For example, the management committee is emphasized on more risk management and the company replaced the management committee by the committee of risk management on October 21, 2014 which is disclosed on the good corporate governance manual and in the Management Structure, page 165-168.

As of December 31, 2014, the company has four special issue committees as follows:

1 Audit Committee

The audit committee reviews all the financial reports and presents them to the company's committee on a quarterly basis. The company's committee is responsible for all the financial statements of the company and its subsidiaries. Besides, the audit committee is also in charge of examining and establishing internal controlling system and internal audit, and effective system of risk management. The Office of Internal Audit is responsible for internal audit and operation review. The audit committee will appoint or remove internal audit manager and the Office of Internal Audit is under the supervision of the audit committee. For more information of the audit committee responsibilities, see page 165 - 166.

The company's committee appoints at least three independent committees the audit committee with the qualifications set by Security and Exchange Act. The following are the audit committees in 2014.

Audit Committee
1. Mr. Cherdpong Siriwit Independent Director / Chairman of Audit Committee
2. Mr. Kritsda Udyanin Independent Director / Member of Audit Committee
3. Mr. Trumph Jalichandra Independent Director / Member of Audit Committee

These three audit committees possess extensive knowledge and experience to examine the reliability of the company's financial statements. Mr. Cherphong Siriwit and Mr. Kritsada Uttayanin have background and experience in accounting and finance while Mr. Tharam Chaleechan is capable of legal issues. Mr. Thaweesak Dechakaisaya, a manager of the Office of Internal Audit, serves as a secretary. In 2014, there are 12 meetings and the issues for the meeting are financial reports checking, related party transaction checking, risk management checking, law compliance checking, auditor checking, and annual auditor nomination.

2 Nomination and Remuneration Committee

The company's committee appoints Nomination and Remuneration Committees to recruit persons suitable for the positions of president and directors. IRPC's committees set up effective and transparent nomination regulations, including a guideline for fair remuneration for the company's committees and directors in a similar level within the industry. For the responsibilities of the Nomination and Remuneration Committees in detail, see page 166.

The company's committee appoints at least 3 Nomination and Remuneration Committees and at least 1 one of them should be an independent committee. The following is a list of the 2014 Nomination and Remuneration Committee.

Nomination and Remuneration Committee

1. Mr. Woothisarn Tanchai
Independent Director / Chairman of Nomination and Remuneration Committee
2. Mr. Surong Bulakul
Director / Member of Nomination and Remuneration Committee
3. Mr. Songpope Polachan
Independent Director / Member of Nomination and Remuneration Committee

Ms. Monwipa Choopiban, an acting Executive Vice President of the Office of Corporate Affairs, serves as the Company Secretary. In 2014, the Nomination and Remuneration Committees hold 9 meetings. The issues that the meetings are held include the appointment of

new committees, special issue committee nominations, remuneration for committees, and considerations of the components and goals for the director's operation for year 2014. The components are business administration, leadership, social and environmental responsibilities, including evaluations of performance and remunerations proposed to the company's committees for approval. In 2014, the Nomination and Remuneration Committees suggest new courses useful to for the company and the company's committee agrees to revise accordingly, which will be presented to the 2015 Annual General Meeting of Shareholders for consideration. There are two issues for revision: regulation. The number of committees must be adjusted from 5-17 to 5-15 to fit the nature of the business and the director appointment must be specified by the company boards who select a committee from the committees. The selected committee must serve as secretary for the committees as well.

3 Corporate Governance Committee

The company's committee approves the appointment of the Corporate Governance Committee to set the good governance policy, business ethics, and guidelines for the operations by the company and its subsidiaries to be in the same direction. Moreover, criteria for good governance is improved and upgraded continuously and intensively. For more information of the responsibilities by the Corporate Governance Committee, see page 167.

The company's committee appoints at least 3 Corporate Governance Committees and at least 1 one of them should be an independent committee. The following is a list of the 2014 Corporate Governance Committees.

Corporate Governance Committee
1. Mr. Watcharakiti Watcharothai Independent Director / Chairman of Corporate Governance Committee
2. Lieutenant General Sasin Thongpakdee Independent Director / Member of Corporate Governance Committee
3. Mr. Pramuan Chanpong Director / Member of Corporate Governance Committee

Ms. Monwipa Choopiban, an acting Executive Vice President of the Office of Corporate Affairs, serves as the Company Secretary. In 2014, the corporate governance committees hold 7 meetings. The issues that the meetings are held include the establishment of the 2014 good governance planning, following up the good governance performance on a quarterly basis, and organizing the 2014 Annual General Meeting of Shareholders compliant with the law and corporate governance best practices. Criteria for good governance is revised to be up-to-date and in accordance with the regulations of corporate governance set by Thai Institute of Directors and ASEAN CG Scoreboard. In 2014, the corporate governance committee proposes criteria for corporate governance committee meeting for approval. The proposal is that two third of the committee members must vote for resolutions.

4 Risk Management Committee

The company's committee approves the removal of the management committee with the replacement of risk management committee during the 11/2014 company's committee meeting on October 21, 2014. For more information of the risk management committee's responsibilities, see page 168.

The company's committee appoints at least 3 Risk Management Committees and at least 1 one of them should be an expert in petroleum, petrochemical business or finance. The following is a list of the 2014 Risk Management Committees.

Risk Management Committee
1. Mr. Sarun Rungkasiri Director / Chairman of Risk Management Committee
2. Mr. Woothisarn Tanchai Independent Director / Member of Risk Management Committee
3. Mr. Sukrit Surabotsopon Director / Member of Risk Management Committee

Mr. Sirimet Leepagorn, an executive vice president of the Business Planning Department, serves as a secretary. In 2014, Risk Management Committee attends the company's risk meeting with the company's committee and approves a guideline for the 2015 risk management on November 18, 2014.

5.2 Committee Meeting

The company's committee sets up the meeting schedule for the company's committee in advance every year and receives the meeting materials prior to the committee meeting for 5-7 days so that they would have a chance to study and have themselves understand the agenda, which creates an effective voice with decision making. The committees are responsible for attending the meeting as follows:

- According to the company's regulations, the quorums must attend at least 50 percent of all boards. In 2014, the company boards determine that the two third of boards must show up in the meeting for vote.
- Each director must attend at least 75 percent of all the meetings held. In 2014, all the committees participate more than 75 percent of all the meetings held.
- The company boards determines that a meeting without the management boards is allowed. In 2014, the meeting without the management boards is held on July 15, 2014 and there are two meetings for independent committees held on May 27 and on October 21, 2014.
- The Board of Director held retreat meeting once a year in order to enhance good relationship and understanding between the director and management. The meeting was held in Rayong on August 29, 2014, including plant visit, construction projects, forestation project and monitoring the VGOHT rehabilitation after fire incident.

For more information of the meeting participation by the company's committee and special issue committees in 2014, see page 170.

5.3 Committee Evaluation

The good governance policy determines that the boards must perform self-evaluation at least once a year so that they can review their performance, problems, and obstacles occurred in the previous year. In the 7/2014 meeting, the good governance committee agrees on December 16, 2014 that the 2014 boards' performance evaluation forms must be made in 4 categories. The forms are sent to the boards and they perform the evaluation in December 2014. The forms are collected and sent to the good governance committee and company boards so that they know the performance and make the improvement of the practices.

In 2014, the company produces four evaluation forms for the company boards as the following.

1. Performance evaluation form for all the company boards
2. Self-evaluation form
3. Cross self-evaluation form for other company boards
4. Performance evaluation form for special issue committees

The following are the criteria for performance evaluation of the company boards in 2014.

- Over 85% = routine practices "Excellent"
- Over 75% = regular practices "Very good"
- Over 65% = occasional practices "Good"
- Over 50% = Few practices "Fairly good"
- Less than 50% = Never practices "poor"

The policy for corporate good governance determines that the boards must perform self-evaluation at least once a year in December of every year so that they can review their performance, problems, and obstacles occurred in the previous year. The overall evaluations of the company boards are concluded as follows:

- **Company's Committee Performance:** This consists of 4 areas of evaluation: 1. Board Policy 2. Board Composition 3. Board Practices 4. Preparation of Board Meeting. The committee has evaluated the boards, "best" with the score of 96.98 percent.
- **Self-Evaluation:** This contains 7 areas of evaluation: 1. Board Qualification 2. Decision Making Responsibility and Accountability 3. Responsibility and Sufficient Effectiveness 4. Equitable Treatment for the stakeholders with Explanation 5. Transparent Operations and Disclosure of the Information 5. Vision for Long-Term Value Creation 7. Business Ethics. In conclusion, the boards have evaluated themselves as "best" with the score of 97.23 percent.
- **Cross self-evaluation for other company boards** There are 7 areas of evaluation similar to the previous self-evaluation. In conclusion, the committees have evaluated other company boards, "best" with the score of 98.58 percent.
- **Performance evaluation for special issue committees** This contains four groups of special issue

committees: 1. Recruitment and Compensation Committee 2. Good Governance Committee 3. Management Committees 4. The Audit Committee.

Notice: Management Committee is evaluated due to their operations for three quarters in 2014 while Risk Management Committee is evaluated since they have been newly appointed.

There are four areas of evaluation for Recruitment and Compensation Committee, Good Governance Committee, and Management Committees: board policy, board composition, board practices, and board meeting preparation. 3 Special Issue Committees have evaluated all the committees with "best" as the following.

Recruitment and Compensation Committees receive 96.83 percent of the score and fall in the range "best".

Good Governance Committees receive 99.52 percent of the score and fall in the range "best".

Management Committees receive 97.29 percent of the score and fall in the range "best".

In addition to the previous three forms of evaluation, the company carries out the performance evaluation for the Audit Committees separately compliant with the audit committee charter.

The Audit Committees are evaluated as follows:

1 Performance evaluation for the audit committees comprises of 6 evaluation areas: 1. Committee Composition 2. Role and Responsibilities 3. Internal Audit and Auditor Relationship 4. Management Relationship 5. Reporting 6. Quality Control. The committees receive 93.75 percent of the score and fall in the range "best".

2 Evaluation for individual audit committees is carried out according to the Audit Committee Charter by the company effective on January 1, 2010. The Charter stipulates that an evaluation for individual committees must be performed. There are 6 evaluation areas for individual audit committees: 1. Business Knowledge 2. Performance Expertise 3. Authority 4. Fairness and Independence 5. Responsibilities 6. Practices and Meetings. The committees have evaluated the performance of individual audit committees, "best" with the score of 97.84 percent.

3 Evaluation for the audit committees by the chairperson is carried out and receives 100 percent of the score and fall in the range "best" in 2014.

5.4 Committee Orientation

The company holds the orientation for newly-appointed company boards within 3 months in order that they are informed about business policy and related information, such as nature of business, cost structure, shareholders, performances, industry information and rules and regulations. The handbooks are sent to the committees, which is a very useful information for being the committees of the company and good governance handbook.

Committee Handbooks:

1. IRPC Compliance Handbook
2. Director's 1-3 Edition Handbook
3. Corporate Governance Handbook

Information for Committees:

1. Code of conduct
2. Certificate, objectives, company's rules
3. List of Board
4. Sub-committee responsibilities
5. 2009-2014 Annual General Meetings of Shareholders minute of meeting reports
6. 2009-2014 Board's minute of meeting reports
7. Annual financial statements (form 56-1)
8. 2013 annual report
9. Institute of Directors Courses
10. Annual Board Meeting scheduling
11. Charing the Board by the Institute of Directors

In 2014, the President presents the information, consisting of vision, policies, to the organization structure, overall business operations, business performance and other relevant information to enhance their knowledge and understanding.

5.5 Board Development

The Board realize the importance of trainings to develop the capabilities of all the committees continually, which helps generate more innovative ideas. This could enhance the effective performances. Details are as shown in the "Board of Directors", page 22-31.

Most of the Board have attended the trainings with the Institute of Directors and the company also encourages directors to participate in other training courses that can be applied to the business. In 2014, the Board have attended the significant training courses as follows:

- All directors attended the training course, “Anti-Corruption” with the experts from Pricewaterhouse Cooper ABAS on 5/2014 Committee Meeting. The purpose of the training is to enhance the knowledge and understanding related anti-corruption and practices for the Company's personal.
- There are 8 directors who attend the Executive Development Program by Capital Market Academy in 2014.
- There are 14 directors who participate in the courses by the Institute of Directors as follows:

1. Mr. Chainoi PheunKosum: DAP RCP and FGP courses
2. Lt.Gen. Preecha Wannarat: DAP course
3. Ms. Sophawadee Iertmanatchai: DCP, ACP, SFE, and MIA courses
4. Mr. Worawit Chailimpamontree: DCP course

However, these four directors have resigned from the company during the year 2014 and the following is a list of current directors who participate in the training courses.

Directors / Courses	
1. Mr. Pailin Chuchottaworn	Courses: DAP - Directors Accreditation Program DAP 24/2004 DCP - Directors Certification Program DCP 51/2004 FND - Finance for Non - Finance Directors FND 14/2004 ACEP - Anti-Corruption for Executive Program ACEP 4/2012
2. Mr. Cherdpong Siriwit	Courses: DAP - Directors Accreditation Program DAP 8/2004 RCP - Role of the Chairman Program RCP 10/2004 FND - Finance for Non - Finance Directors FND 13/2004 DCP - Directors Certification Program DCP 104/2008 ACP - Audit Committee Program ACP 27/2009
3. Mr. Watcharakiti Watcharothai	Course: DCP - Directors Certification Program DCP 121/2009

Directors / Courses	
4. Mr. Sombat Narawutthichai	Course: DCP - Directors Certification Program DCP 15/2002
5. Mr. Sarun Rungkasiri	Courses: CSP - Company Secretary Program CSP 8/2004 DCP - Directors Certification Program DCP 61/2005 FND - Finance for Non - Finance Directors FND 19/2005
6. Mr. Surong Bulakul	Course: DCP - Directors Certification Program DCP 121/2009
7. Mr. Kritsda Udyanin	Courses: DAP - Directors Accreditation Program DAP 50/2006 DCP - Directors Certification Program DCP 75/2006 RCC - Role Of The Compensation Committee RCC 1/2006
8. Mr. Songpope Polachan	Courses: DAP - Directors Accreditation Program DAP 23/2004 DCP - Directors Certification Program DCP 52/2004 FND - Finance for Non - Finance Directors FND 9/2004
9. Mr. Prasit Suebchana	Courses: ACP - Audit Committee Program ACP 20/2007 DCP - Directors Certification Program DCP 90/2007
10. Mr. Sukrit Surabotsopon	Courses: DCP - Directors Certification Program DCP 132/2010 ACP - Audit Committee Program ACP 38/2012 MIR - Monitoring the system of Internal Control and Risk Management MIR 12/2012

6. Committee and Top Management Recruitment and Appointment

1. Independent Committee

The company redefines the independence of the committee more strictly following the regulations by the Securities and Exchange Commission and the Stock Exchange of Thailand. Moreover, the independence of the committee is written in Corporate Governance Handbook. For more information of the independent committee qualification, see page 165-166.

2. Separation of Chairman and Director

The positions of Chairman and Director are obviously separated and written in the Corporate Governance Handbook so that the role of these two positions is independently divided. The role of the chairman is to control and monitor while the role of the director is management. Although the chairman (Mr. Phairin Chuchotthawon) is not an independent committee, he is appointed the chairman by the Board since he possesses extensive knowledge in the energy, petroleum, and petrochemical businesses which is considered beneficial for the company.

3. Recruitment of Committee

The Board appoints the recruitment and compensation committees to recruit the persons who are competent and expert for the sake of the company. Additionally, the Board places its attention to a wide variety of the committee qualifications and experiences without sexual discrimination or other restrictions. This is written in "the composition of the committee qualification" and appointment in the Corporate Governance Handbook, which serves as a guideline for recruitment suitable for the position of the committees. The compositions should consist of various experts from different areas with throughout perspectives when making decisions take place. The recruitment committees must possess the qualification according to the rules, regulations, and corporate governance.

In 2014, the recruitment and compensation committees look for the candidates through systematic recruitment process. Then the committees propose the selected candidates to the Board and/or the shareholders. The procedures for recruitment and considerations are clearly specified and step-by-step. Also, the Directors' Pool of the Ministry of Finance and IOD is taken into consideration for the recruitment. (For more information, see page 168-169).

4 Recruitment of Top Management/Succession

The recruitment and compensation committees are responsible for searching for the right candidates for the position of the top management or director. They should possess extensive experience in the petroleum and petrochemical businesses as well as transparency and leadership for the effective operations of the company and gain trust and confidence from stakeholders.

Currently, Mr. Sukrit Surabotsophon is the company director appointed as per the proposal of the Nomination and Remuneration Committee by the Board in the 11/2013 Board meeting dated on September 17, 2013. The present director matches the required qualifications and performance useful for the company compliant with the rules, regulations and corporate governance. In case that the director is appointed a position in other companies, the director must be approved by the Board while the case of the top management shall be approved by the director to make sure that they devote their time sufficiently to the fullest extent to the company.

Besides, the company also has a plan for succession in the position of the director, top management, and middle management so that they can carry out the successive jobs effectively and respond to the situations through training courses, including academic, leadership, responsibility transfer, cross-function jobs, world situation analysis, and AEC.

7. Governance on Subsidiaries and Joint Venture

IRPC manages its own operation, subsidiaries, and joint ventures to be in the same direction. The company has 11 subsidiaries and 4 joint ventures and they are not registered. (For more information of shareholders, see page 183).

Governance mechanism

To control and monitor the subsidiaries and joint ventures, the company representatives who will be in charge of the director or the management shall be approved by the Board. At present, the director and the top management are in charge of those in subsidiaries and joint ventures. Besides, the company provides the policy and practices to subsidiaries and joint venture for use, such as corporate governance policy and anti-corruption. This will create the similar direction of the operation.

Roles of the Board

- The Board has a role in formulating the vision, strategy, and policy for the company and subsidiaries to operate in the same direction and support each other. The Board also controls and supports the work of the company and subsidiaries to follow the set policies and grow sustainably.

- The Board has a role in the appointment of the committees and management team to be responsible for the subsidiaries' businesses. They also follow up the performance for maximum benefits for the shareholders and the stakeholders fairly.
- The Board has a role in the formulation of policy related to corporate governance, anti-corruption, and code of conduct of the Company including its subsidiaries written in the Corporate Governance Handbook which is available on the company's website. The Board, management, employees of the company and subsidiaries must learn and follow the set policies strictly for their understanding and emphasizing on the importance of corporate governance for all levels of employees.
- The role of the Board is to be responsible for society and environment through the representatives of the company, subsidiaries, and joint ventures in order to prevent the activities by the company, subsidiaries, and joint ventures not to affect them. At the same time, society, environment, and community are supported.
- The Board of Directors stipulates that the management or representatives of the Company who were assigned to work in subsidiaries or joint ventures shall report business performance periodically.

Roles of the Audit Committee

- The internal control of the subsidiaries to be the same as those of the parent company is directed and should be regularly reported the audit results of the Company and its subsidiaries to the audit committee and the board. The reports specified by the Securities and Exchange Commission must be made.
- It is specified that the subsidiaries must report the financial performances, related reports, and asset acquisition and selling. Other important activities must be reported to the Board.

Role of the Shareholders

- The role of the shareholders is to vote in the meeting of the subsidiaries or the joint ventures for the essential agenda or for any changes that will affect the organizational structure, investment structure and company's termination. All of these must be approved by the Board.

Management mechanism

- It is stipulated that the subsidiaries must follow the policy, rules and regulations declared by the company. Such policies are corporate governance, anti-corruption, human resources management, marketing, purchasing, and accounting and finance. Each department responsible the stated policies would serve as the coordinators between management and practitioner levels.
- Investment policy formulation, long-term operation plans, annual plans, strategic business plan, CSR roadmap, budget for investment framework, and annual budget for subsidiaries are all included in the company's business plan to be in accordance with the same direction. For the joint ventures, the investment policy follows the joint investment agreements.
- The company establishes the systems for trading and services, purchasing, and human resources management. The operations of the subsidiaries are also specified, such as internal control and internal audit, security control, and social and environmental practices. This is to create the same directions of the operation.
- Joint investment must follow the shareholders' agreement and joint ventures' regulation (certain terms and conditions are included in the company's regulations). Each important agenda must be approved by the Board. For the subsidiaries, no shareholders' agreements are made since the company holds 99.99 percent shares of the subsidiaries.

8. Policy for the Appointment by Other Companies

- The Board can be the Board for not over 5 companies registered with the Stock Exchange of Thailand.
- In case that the director is appointed the Board or other positions for other companies, he/she must be approved by the Board.
- In case that the top management is appointed the Board or other positions for other companies, he/she must be approved by the director.
- That the company representatives who were appointed to be the Board or the management of the

subsidiaries and joint ventures formerly must be approved by the executive committee meeting assigned by the board and must be reported to the Board since October 21, 2014 executive committee is abolished, then. The company representatives who are appointed the Board or the management for the subsidiaries and joint ventures must be approved by the Board of the company.

9. Dividend Policy

IRPC Public Company Limited

The company has a policy for the dividend payment not less than 25 percent of the annual net profits after tax and other expense deduction following the rules and regulations. The dividend payment also depends on the investment plan, necessity, and other issues according to the Board judgments.

Subsidiaries

No policy for the dividend payment of the subsidiaries is made. The subsidiaries will consider the dividend payment case by case by taking the cash flow balance/net profits considerations. The dividend payment is compared to the investment of the subsidiaries and the reserves are also established, depending on the Board of the subsidiaries judgments.

10. Treatment of Internal Information

The committee stipulates the practices of internal information treatment in the corporate governance handbook. The Board, management, and employees should keep the company information confidential carefully, including the use of internal information and providing the information to the internal persons. The company information is kept systematically by specifying the degree of confidentiality and limiting the right to access the information. The company has policy not to disclose the information to the public that gives the benefits to the company and others, including the buying and selling the shares of the company as the following.

- The Board specifies that the committees, the management, and other related parties must make and submit the reports of their property holdings which includes their spouses and children for their first time of taking the position. In addition, they must report any changes in their property holdings within 3 working days since sale, purchase or transfer of the company's

property to the Security and Exchange Commission according to the Article 59 and the Article 275 of the Securities and Exchange Acts. They must also report to the Board every month.

- The company sends the letter that asks the Board, the management, and related persons according to the definition by the Securities and Exchange Commission to suspend their sale and purchase the company's securities for 45 days since the end of the quarter and suspend their sale and purchase of the company's securities for 2 days after the disclosure of the financial statements to the Stock Exchange of Thailand. This is to prevent the important information from disclosure that can affect changes in the stock prices and from making the public known for any uses. If such actions occur, it violates the Article 241 of the Securities and Exchange Acts B.E. 2535. This is to protect the violation against the laws and the guide for the market which causes the advantages for some groups.

- The company sets up the security system for keeping the information by dividing it into the confidential levels and also limits access to the information that is not publicly available. It is the duty of the information owners or holders that must follow and inform related parties to follow the procedures for information security by the company strictly. The penalty for the violation is also made.

- The company establishes IT security following the internal standards to protect the external threats and the unauthorized party from access to the use of the company's internal information stored in main and personal computers, including the normal situation of work and emergency.

11. Auditor Fee

Auditor Fee

In 2014, the shareholders approve for the appointment of Pricewaterhouse Cooper ABAS to serve as auditor for the company and the subsidiaries. This auditor company does not play any importance role in the company; therefore, it has a full independence to audit the company.

The company makes the audit payment for 4,250,000 baht in total. The payment includes the audit of the company, subsidiaries, and other expenses as the following.