

CORPORATE GOVERNANCE REPORT



Tone at the Top

More than just setting the tone, IRPC Board of Directors have a look at organizational culture, inspiring people, and guiding the company's values and ethical climate.

All along, IRPC has valued development of corporate governance, which has earned it a "Level 5" for seven straight years out of the CGR assessment by Thai IOD. This year IRPC's assessment score was 92, which exceeded that of last year, and IRPC is among 17 listed companies whose scores exceeded 90 on the ASEAN CG Scorecard. The Stock Exchange of Thailand (SET) has honored IRPC with a Thailand Sustainability Investment Award 2015 in recognition of its outstanding sustainable business conduct and a role model for social responsibility. IRPC also earned two other awards: Board of the Year and Audit Committee of the Year at the Board of the Year Awards 2015. As for sustainability management, IRPC was ranked as a member of DJSI (Dow Jones Sustainability Indices), Emerging Markets, Oil & Gas, for 2015/2016 for a second straight year, which echoed the Board's dedication to perform its duties such that IRPC commands business efficiency and corporate governance.

Corporate Governance Policy

The Board has defined a corporate governance policy in line with the Corporate Governance Policy for

Listed Companies of SET and the criteria of Corporate Governance Report of Thai Listed Companies (CGR) for the Board, executives, and employees as follows:

To promote IRPC as a business concern marked by efficiency, CG, and operational excellence-focusing on optimizing benefits for the shareholders, with due regard for stakeholders as a whole-while remaining righteous in business conduct, free of fraud, transparent, and open to scrutiny, the Board has defined a CG policy for its Board of Directors, executives, and employees to observe as practical guidelines, detailed as follows:

1. The Board, executives, and employees are committed to applying the key CG principles (CREATE) to their work, namely
 - Creation of long-term value
 - Responsibility for job performance with adequate competency and efficiency
 - Equitable treatment of stakeholders, meaning fair and answerable treatment
 - Accountability for decision-making and actions
 - Transparency of execution and information disclosure
 - Ethics of business execution

2. The Board is dedicated, responsible, and independent, with clear segregation of roles between the Chairman and the President

3. The Board plays a key role in defining IRPC's vision and key strategies, policies, and plans, taking into account risk factors and laying down suitable management approaches, while ensuring that accounting, financial, and audit systems are credible

4. The Board plays a key role in defining an anti-corruption policy and key relevant mechanisms so as to prevent fraud and represent IRPC's practical guidelines leading to a corporate culture. The Board oversees the prevention and resolution of conflicts of interest and connected transactions (See Anti-corruption Policy, Appendix.)

5. The Board must lead in ethics and observance of IRPC's CG approach

6. The Board may appoint suitable ad hoc committees to support its deliberation of key matters

7. The Board must hold annual self-assessment to frame the scrutiny and improvement of its performance

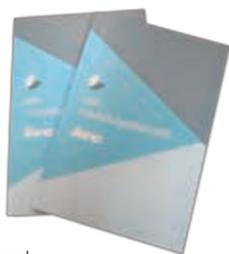
8. The Board sets IRPC's code of conduct for itself, executives, and the rank and file (employees and otherwise) to apply as their practical guidelines in tandem with IRPC's regulations

9 IRPC's shareholders are entitled to fair treatment and access to information, as well as suitable communication channels with IRPC

10. A personnel recruitment system is in place for all key executive positions along with a transparent and fair recruitment process.

Code of Conduct

IRPC is committed to its code of conduct, which includes issues of human rights and treatment of employees, society, the environment, health and safety, anti-corruption and compliance with laws and regulations, and treatment of all stakeholders for all employees to comply. By issuing a Corporate Governance Manual, IRPC cultivates awareness among its people. This year the contents were amended to include more issues dealing with the corporate governance, specifically issues about corporate responsibility for sustainable growth and anti-corruption. All employees must sign their names in acknowledgment of the code of conduct and strictly comply with it in addition to focusing on



transparent business in order to ensure confidence among stakeholders.

Highlights of IRPC's Corporate Governance Development in 2015

In response to the policy of becoming an organization of excellence and the commitment to preserving its quality of corporate governance among ASEAN CG Scorecard leaders, this year the Board amended corporate governance to become more strict by international standards and more suitable for IRPC's businesses. Specifically, one finds a revised number, qualifications, roles and responsibilities of the Board and sub-committees for greater clarity and more alignment with international regulations and protocols. Furthermore, it would better align with IOD's recommendations under the CGR criteria, which are now included in the Corporate Governance Manual (amended 2015) as follows:

1. Directors' Responsibilities

- Assessment of the performances of the Board and all sub-committees by independent assessors for the first year, with a plan to repeat this assessment every three years. This is on top of IRPC's annual assessment of the Board. Also, the assessment forms have been revised and improved in line with the assessment approach of SET of 2015.
- The Nomination and Remuneration Committee proposed that the Board ask the shareholders to amend company regulations in line with the practices of leading listed companies on SET. Specifically, the number of directors on the Board should be cut from 5-17 to 5-15 directors. The Board is also to appoint a director as President, also serving as Secretary to the Board.

2. Equitable Treatment of Shareholders

- IRPC gave the opportunity for one or more shareholders with a combined 4% or more of the eligible voting shares to propose agenda items and nominate directors in advance. To this end, IRPC issued a letter to SET and publicized the message on the company website from September 25 to December 31, 2015, which was more than 90 days before the end of the accounting year.

3. Definition of Compliance Policy

At the BOD-STs 2015 of August 21, 2015, the Board approved CG & CSR Excellence Strategic Plans and endorsed formulation of a Corporate Compliance Policy to declare its intention and elevate the standard of



practices in line with the law and relevant regulations. The Corporate Governance Committee at its Meeting No. 6/2558 of October 26, 2015, examined the policy against the law and such regulations before tabling it to the Board for its approval and roll-out among IRPC and its affiliates as follows:

1. Compliance with relevant laws and regulations

The directors, executives, and employees of the IRPC Group companies are to strictly uphold laws and regulations related to businesses so as to enable businesses to proceed smoothly under relevant laws and regulations, while maintaining their responsibility for society, communities, environment, and health of stakeholders-the foundation of sustainable development.

2. Fair competition and anti-monopoly

The directors, executives, and employees of the IRPC Group companies are to comply with laws on antimonopoly or trade competition, while supporting free and fair commercial competition void of discrimination and unfair practices.

3. Anti-corruption and anti-bribery

The directors, executives, and employees of the IRPC Group companies are to comply with laws on the prevention and suppression of corruption and bribery involving state officers, foreign-state officers, or private-company officers.

4. Upholding of human rights principles

The directors, executives, and employees of the IRPC Group companies are to uphold laws on labor and human rights, while respecting labor rights, women's rights, children's rights, and human dignity as well as the liberty and equality of those certified by or protected under Thai and international laws.

5. Safeguarding of intellectual property rights

The directors, executives, and employees of the IRPC Group companies are to protect intellectual properties of IRPC or IRPC Group of Companies, or both, from being infringed without permission. They are to uphold others' intellectual property rights, while



promoting their executives' and employees' creativity resulting in intellectual properties in the interests of the company and Thailand's economy at large.

6. Prevention and suppression of money laundering and non-sponsorship of terrorism causes

The directors, executives, and employees of the IRPC Group companies are to avoid becoming part of money-laundering networks or sponsoring terrorism causes. To this end, it values oversight and provision of clues to officers in case of illegal deeds, while ensuring proper recording of accounting entries, and financial or property facts in line with Thai and international laws.

7. Proper management, storage, and application of company data

The directors, executives, and employees of the IRPC Group companies are to exercise good stewardship of data and properties under proper management standards under the law to ensure that they are optimally applied; that harm and abuse are averted for the benefits of oneself or others; and that data confidentiality principles are upheld by adhering to the rules of law and business ethics of maintaining data of the company, its customers, business partners, or others' private data and not leveraging them for purposes beyond permission or beyond mutual, lawful relations under Thai and international laws.

8. Responsibility for the environment, health, and safety

The directors, executives, and employees of the IRPC Group companies are to conduct business with responsibility for communities, society, and the environment with due regard for the health and safety of employees and stakeholders. They are also to regularly put in place projects designed to cultivate such awareness among employees, executives, and related parties.

- IRPC set up a compliance unit called "Company Secretary and Compliance Division" under the Office of Corporate Affairs so that there may be a

clear responsible person under the policy of the Board, which would ensure that IRPC has in place a compliance process that is fully accurate by the law, practical guidelines, regulations, and various criteria incorporating governance, risk management, and compliance (CGR).

4. Formulation of Policy Framework and Approach to Promote Ethics, Transparency, and Anti-Corruption

- IRPC amended its Corporate Governance Manual to keep updated with changes in corporate governance for listed companies of SET, ASEAN CG Scorecard, and other international requirements for being a good global corporate citizen and developing sustainably, including UN Global Compact. The amended manual was given to all employees of IRPC Group to sign their names in acknowledgment and give a pledge to observe it.

- Participation in the UNGC's Call to Action: Anti-Corruption and the Global Development Agenda to demand and send a signal to the public sector and private companies worldwide to join hands in anti-corruption moves

- Preparation of an on-line report disclosing items suspected of conflicts of interest with IRPC by all employees for the first year in addition to the reporting of directors and the management required by SET

- Campaigns to cultivate awareness of corporate governance among the management and employees, communicated through suitable channels for big and small groups through training, seminars, and the E-Learning system under the topic of "A Survey of Ethics in You". This year IRPC set a goal of 500 employees participating in responding to the survey. It turned out that 870 employees answered the questionnaire through the E-Learning system, which exceeded the goal by 74%. Note that all PTT Group companies were taking similar action to leverage group synergy to use all PTT Group employees to form a network and convey the force of goodness to all sectors in the hope of cleaning up the Thai society in a sustainable way.

- IRPC publicized the notions of corporate governance and social responsibility to wider audiences apart from Thailand and other ASEAN countries to exchange good practices and promote IRPC's image and its reputation. This year it won the "Winner of the Golden Peacock Global Award for Excellence in Corporate Governance 2015", given by India's IOD, together with the Best Corporate Governance Asia 2015, presented by Hong Kong— based Corporate Governance Asia journal.



Seminar on Compliance Risk Management.

SET's Approach to Corporate Governance

This year the Board ensured compliance with corporate governance as detailed below:

1. Shareholders' Rights

In compliance with the law and company regulations, IRPC protected and promoted shareholders' exercise of their rights through attending shareholders' meetings, decision-making, voting on crucial matters, acknowledging performance outcomes, and expressing views and asking questions.

Before the Meeting

In compliance with the law and company regulations, IRPC protected and promoted shareholders' exercise of their rights through attending shareholders' meetings, decision-making, voting on crucial matters, acknowledging performance outcomes, and expressing views and asking questions.

IRPC publicized details of the 2015 AGM through the IRPC Newsletter Volume 15/2015 in Thai, complete with the English translation, which was sent to all shareholders along with the meeting notices. IRPC invited the shareholders and institutional investors to attend the AGM to exercise their rights and acknowledge IRPC's performance direct from the Board.

2. Quality of Meeting Notice IRPC's meeting notice for the 2015 AGM accompanied relevant attachments and a proxy form to facilitate those that could not attend by themselves, with due regard for data completeness for the shareholders' decision-making on each agenda item. To this end, IRPC categorized the agenda as nine important agenda items this year. There was no agenda item for acknowledging the minutes of the previous meeting because IRPC had presented such minutes on its website and sent them in writing to all shareholders for their review. If amendments were needed, they should inform IRPC by June 30,

2014. It turned out that no shareholder objected to the minutes, and so automatic acknowledgment was adopted. For each agenda item, objectives and justification together with the opinion of the Board were stated, as highlighted below:

2.1 Approval of the 2014 financial statements, audited and certified unconditionally by an authorized external auditor

2.2 Appointment of directors, complete with complete profiles (namely, name-last name, age, biography, education, career profile, and the number of companies in which each nominee served) in full details so that the shareholders may have substantial data for their consideration of suitable directors.

2.3 Approval of directors' compensation, for which IRPC proposed a policy for directors' compensation (namely, retention fee, meeting fee, bonus). In 2014, no bonus was paid out due to the loss in performance outcome. Apart from this, IRPC gave no other benefits.

2.4 Appointment of the external auditor and audit fee-setting, stating the detailed profile of the external auditor (namely, auditors' names, company, experience and ability, independence, audit fees and non-audit fees together with other services). These details were given in full and clearly.

2.5 Approval of dividend payment: IRPC disclosed its dividend policy and successfully maintained suitable financial liquidity in keeping with its business, with categories and sources of retained earnings from which the dividends were to be paid, the proposed dividend rate, the dividend date, complete with clear rationale and consideration data.

2.6 This year IRPC proposed an agenda item for amendment of company regulations in Section 4 (the Board), Item 15 and Item 22 (the number of directors and appointment of the President) to amend the number of directors from 5-17 to 5-15 and that the Board should select one of them as President and Secretary to the Board in keeping with the good practices of leading companies on SET and with PTT Group companies, since PTT Plc was IRPC's major shareholder.

For each agenda item in the meeting notice, IRPC clearly included the objective and justification along with the opinion of the Board and the number of votes needed.

IRPC sends proxy forms (Form A and Form B) together with the shareholders' meeting notices for those that could not attend in person, stating the documents, evidence, advice, and proxy procedure along with the names of the six independent directors for shareholders' choice. These are also downloadable from www.irpc.co.th along with Proxy Form C. IRPC also eased shareholders and institutional investors who wish to send the real copies of the proxy forms along with supporting documents by regular mail. The envelope should be addressed to the Company Secretary or Investor Relations before the meeting date so that IRPC officers may inspect the documents for completeness before the proxies arrive for speedy registration, which smoothed meeting organization.

Date (2015)	Detail
February 10	<ul style="list-style-type: none"> The Board decided February 25 as the record date and April 3 as the AGM date IRPC publicized the Board resolution through the SET Portal and the company website
February 25	<ul style="list-style-type: none"> The record date for attending the AGM and receiving dividends Publicized the complete AGM meeting notice together with supporting documents in Thai and English at www.irpc.co.th 33 days ahead of the AGM
February 26	<ul style="list-style-type: none"> Closing of the share roster to collect the names of eligible shareholders for the AGM and dividends
March 11	<ul style="list-style-type: none"> Meeting notices were sent to the shareholders by registered mail by the Thailand Securities Depository Co., Ltd., 22 days ahead of the meeting
March 25-27	<ul style="list-style-type: none"> Details of the 2015 AGM were published in Thai and English daily newspapers (Khao Hun and the Bangkok Post) for three consecutive work days ahead of the meeting
April 3	<ul style="list-style-type: none"> AGM day, beginning at 09.30 hours at the Bangkok Convention Center, 22nd floor, Centara Grand Hotel and Bangkok Convention Center, CentralWorld, No. 999/99 Rama 1 Road, Pathumwan District, Bangkok 10330



On the meeting date

IRPC's 2015 AGM was held on April 3, 2015, starting at 09.30 hours at the Bangkok Convention Center, 22nd Floor, Centara Grand Hotel and Bangkok Convention Center, CentralWorld, No. 999/99 Rama I Road, Pathumwan District, Bangkok 10330. IRPC facilitated shareholders in the following ways:

- A convenient meeting venue accessible by public transport (BTS and buses) with spacious parking lots and efficient security
- The Green Meeting organization prevailed, maintaining IRPC's standard certified by TBCSD and the Thailand Environment Institute for the third year running
- Seats had been reserved for the handicapped, the elderly, and pregnant ladies, with expediting officers.
- Enough registration points were arranged, with registration starting two hours ahead of the meeting.

The Barcode system was applied during registration and vote-counting for greater efficiency, accuracy, and speed.

- IRPC facilitated proxy-giving by having available free duty stamps for the legal sanctity of documents.
- IRPC staged an exhibition about business directions and its innovative products sold in the market, including bathroom shelves made of anti-bacterial plastics as a way of providing information to shareholders and an opportunity for them to provide recommendations or inquire the Board about IRPC's marketing moves and innovations.

1. The AGM began as scheduled, with the Chairman of the Board serving as meeting chairman. In attendance were the sub-committee chairs, directors, and the President along with senior executives and the Company Secretary. (Full details appear in the AGM meeting minutes, disclosed on IRPC's website.

Directors in attendance at the 2015 AGM (12 out of 14, or 86%)

	Name	Current Position on the Board/Sub-committees
1.	Mr. Pailin Chuchottaworn	Chairman
2.	Mr. Cherdpong Siriwit	Independent Director /Chairman of the Audit Committee
3.	Mr. Songpope Polachan	Independent Director Member of the Nomination and Remuneration Committee
4.	Mr. Watcharakiti Watcharothai	Independent Director Chairman of the Corporate Governance Committee
5.	Mr. Sarun Rungkasiri	Director Chairman of the Risk Management Committee
6.	Mr. Triumph Jalichandra	Independent Director Member of the Audit Committee
7.	Mr. Surong Bulakul	Director Member of the Nomination and Remuneration Committee
8.	Lt. Gen. Sasin Thongpakdee	Independent Director Member of the Corporate Governance Committee
9.	Mr. Pramual Chanpong	Director Member of the Corporate Governance Committee
10.	Mr. Somnuk Bomrungsalee	Director
11.	Mr. Prasit Suebchana	Director
12.	Mr. Sukrit Surabotsopon	Director Member of the Risk Management Committee President/ Secretary to the Board of Directors

Note: Two directors were absent from the meeting

1. Mr. Woothisarn Tanchai Chairman, Nomination and Remuneration Committee (due to urgent business engagement)
 2. Mr. Sombat Narawutthichai Director (due to urgent business engagement)
- Mr. Kritsda Udyanin, Director, had passed away on March 26, 2015.

There are 10 Management members in attendance at the 2015 AGM.

2. IRPC requested an independent legal adviser from Weerawong Chinnavat and Peangpanor Co., Ltd. (Ms. Peangpanor Boonklum) to ensure full AGM compliance with the law.

The external auditor in attendance at the AGM was Mr. Wichian Kingmontree, CPA No. 3977, PricewaterhouseCoopers ABAS (PWC).

1. Ms. Ratchada Khlongprong
Volunteer from the shareholders in attendance
2. Mr. Surapong Tembunprasertsuk
Volunteer from the shareholders in attendance.

3. Before consideration of the meeting agenda, the Chairman clearly informed the meeting about the voting method and vote-tallying. IRPC issued only one class of shares, for which one share equals one vote.

4. On the agenda of directors' appointment, IRPC allowed shareholders to vote for individual directors, with individual names on the ballot one by one. In line with its good practices, directors with vested interests left the meeting on the agenda item in question. For this meeting, five such directors, namely Mr. Pailin Chuchottaworn, Mr. Cherdpong Siriwit, Mr. Sarun Rungkasiri, Lt.Gen. Sasin Thongpakdee, and Mr. Sukrit Surabotsopon, left the meeting until the end of deliberation and voting. To this end, the Chairman (Mr. Chuchottaworn) assigned Mr. Songpope Polachan, director and member of the Nomination and Remuneration Committee, to conduct the meeting on this agenda item.

During the meeting, the Chairman allowed the shareholders to exercise equal rights in asking questions or giving comments at the AGM, allocating enough time and asking relevant directors to provide assorted data to the shareholders until no further questions were asked. He ensured that these questions, answers, and comments were included in the minutes for those who missed the AGM.

6. IRPC arranged for ballot-casting, ensured that ballots were collected from the shareholders, and inspected the vote outcomes and recording of votes from the ballots. To this end, the Barcode system aided in compiling outcomes for greater efficiency and speed. Meeting resolutions were spelled out for every agenda item, complete with the numbers of yes, no, or abstained votes.

7. The Chairman conducted the meeting strictly in the sequence given in the meeting notice. No other agenda items were added apart from what appeared in the meeting notice.

After the AGM

IRPC took the following actions:

1. On the meeting date (April 3, 2015), sent a summary of the vote outcomes on each agenda item in Thai and English via the SET Portal of the stock exchange and distributed this summary on the company website after the meeting had concluded.
2. Sent the minutes, complete with the voting method and tallying for the shareholders' information before entering the agenda, together with key details by agenda item clearly and fully:
 - Meeting contents
 - List of directors and senior executives in attendance and those who excused themselves
 - Shareholders' questions along with respective responses of directors and executives
 - Meeting resolutions and voting outcomes for each agenda item, complete with details of the yes, no, and abstained votes on each agenda item.

IRPC concurrently disclosed on SET's and IRPC's websites on April 17, 2015 (within 14 days) and prepared documents for mailing to all shareholders, stating that the shareholders who wanted amendment made or disputed certain points could get back to IRPC by June 30, 2015. When this date passed, no shareholder had sought amendment to the minutes, which were then automatically adopted.

3. Sent the minutes to the Department of Business Development, Ministry of Commerce, and added to IRPC's regulations as decided by the shareholders' meeting.

2. Equitable treatment of shareholders

IRPC respected shareholders' rights and issued just one class of share with due regard for, and treatment of, all shareholders in an equitable way:

1. Provided adequate data in Thai and English to the shareholders in advance through several channels conveniently accessible. Details about this point appear under the Information Disclosure and Transparency section.
2. Enabled minor shareholders to propose in advance agenda items ahead of the AGM. To this



end, a single shareholder or more with a combined shareholding of no less than 4% of all eligible votes may do so. Announced the criteria, with steps clearly stated, through the Investor Relations section of its website on the date and time announced by IRPC. The 2016 AGM will be the first year in which IRPC allows the shareholders to nominate directors; this was conveyed to the shareholders through IRPC's website from September 25 to December 31, 2015. When this date passed, no shareholder had proposed any agenda item or nominate directors.

3. To avert conflicts of interest for the benefit of transparency and integrity, IRPC prepared a Corporate Governance Manual (Revision 2015), stating criteria and good practices about items of conflicts of interest for the directors, executives, and employees of IRPC and its affiliates to conform to by:

- 3.1 Showing related and connected transactions, taking into account IRPC's maximum interests. Reporting and disclosing approval of the shareholders transparently in the annual report (detailed in the Notes to the Financial Statements).
- 3.2 Refusing to sponsor companies that were not subsidiaries. The shareholding structure featured no cross-shareholding in the Group; nor were IRPC shares repurchased.
- 3.3 Preparing directors' and executives' reports on securities portfolios and requiring them to be responsible for properly and fully complying with the regulations and requirements of SET and SEC. Each month, IRPC reported these to the Board. IRPC had never been warned by the regulators about this matter. This year, the Board together held no more than 25% of IRPC's issued and paid-up shares.
- 3.4 Preventing the use of inside information. IRPC stated in its Corporate Governance Manual (Section 4, Code of Conduct for the Board, Executives, and

Employees, Item 4.1.5: Code of Conduct on the trading of IRPC securities and the use of inside information). It defined a policy on the prevention of such trading and use of inside information. To prevent trading based on inside information, prohibition was defined against exploiting the opportunity or data as a result of the directorship or service in the company for personal gains.

- 3.5 Refraining from trading IRPC securities. To this end, IRPC informed them about the date of financial statements and the "embargo" of securities 45 days ahead of and at least 2 days after the disclosure of financial statements.
- 3.6 Requiring all employees of IRPC Group to prepare an on-line report of items suspected of conflicts of interest with IRPC, under corporate governance, to cultivate awareness of operating transparently and prevent fraud. IRPC also presented this report to the Corporate Governance Committee for their acknowledgment. Employees appreciated the principles and rationale, lending good cooperation.

3. Stakeholders' Roles

IRPC has adopted international standards, including the UN Global Compact, on voluntary roles of stakeholders and defined its interacting roles and activities accordingly in order to maintain a balance of benefits among all of stakeholders. All short-term and long-term plans of IRPC must include considerations on expectations and satisfaction of each group of stakeholders in all aspects, including sustainable development (SD), corporate governance (CG) and operational excellence management system (OEMS). Moreover, IRPC has established various channels of communication to appropriately and efficiently converse with each group of stakeholder on company policies, business ethics and good operation practices, particularly impacts on stakeholders including the following.

1. Shareholders/Investors

For maximum profits and long-term value creation for shareholders, IRPC has continuously manage its businesses while strictly adhering to corporate governance to ensure sustainable growth and reasonable returns. In 2015, IRPC won an ASEAN Corporate Governance Award in Manila, the Philippines, as a Thai listed company with governance assessment score, using the ASEAN CG Scorecard criteria in the Top 50 ASEAN PLCs, with a transparent disclosure system of sufficient data to the public. The sharing of information, also supporting good relations with the public, is communicated via the following channels and activities:

- Regular meetings with local and international investors and market analysts (detailed as appeared in Section 4, Information Disclosure Page 79-81).
- Participation with SET in activities promoting investment in the capital market and dissemination of company data.
- Organizing a shareholders' visit to IRPC facilities in Rayong on November 12, 2015.
- Preparation and dissemination of company news to the public in various media formats.
- Organizing activities with shareholders for the communities and society, and promoting human rights issues. These activities in 2015 included
 - Donation of sports equipment to the House of Juvenile Observation and Protection, Rayong.
 - Organizing jointly with the Faculty of Humanities and Social Science, Burapha University, and shareholders in generating reading materials in Braille for the visually impaired from used desk-top calendars under the '3rd Page Project'. Donation also included cash.
 - Jointly organizing with shareholders during the Open Houses, promoting and sustaining the Thai culture and festivity with responsibility for the environment on the Loy Krathong Festival.
 - Annually organizing jointly with shareholders during the AGM cash donation for heart transplant for children and juveniles. The foundation also delivered its annual report and progress on the project to the shareholders.

Customer satisfaction surveys were conducted on all activities, with conclusions and recommendations incorporated to improve and better develop future activities

2. Customers/Consumers

IRPC's ultimate objectives are to continuously develop and upgrade with dedication its goods and services which are environmentally friendly by international standards, in meeting demands by and improving the living quality of consumers. It is also committed to disclosing its marketing data in its entirety with accuracy and without keeping away or distorting facts, as well as to developing efficient information technology that could promptly respond to needs with the capability to manage the entire chain of data, from purchasing and order placement, payment, work order monitoring, to product delivery. Its obligation also includes services on providing consultation and making recommendations, delivering technical solutions, as well as joint development of products and innovations with customers, and organizing customer relations activities in big or small groups (details shown under Operating Result on Page 171)

3. Business partners

IRPC adheres to its code of conduct in working with all business partners with equality, fairness, transparency, and integrity. A Procurement Excellence policy was enforced as a guiding principle for drafting procedures and business ethics on procurement activities, including fair treatment of all business partners under the laws and conditions set forth in the respective contractual arrangements, and truly staying away from violation of human rights. Procurement Excellence focuses on managing the business under the ESG concept in supporting sustainability.

E: Environment – The Green Procurement Policy demands that all procured materials shall be green products. All procurements for any chemicals shall be made in full compliance with either REACH or RoHS standards, and products with green labels are given a privilege for purchasing consideration.

S: Social – IRPC supports hiring a local workforce and activities run by local communities. It also supports business interactions with business partners who respect human rights.

G: Governance – Practices complying with good governance including rules, practices and procurement procedures acceptable by standards of the leading industry, anti-corruption, money-laundering prevention, business partner registration and approved lists of vendors, manufacturers and contractors; and an efficient and auditable procurement system.



IRPC's Analyst Meeting



Shareholder's Company Visit

- IRPC organized Supplier Conference 2015 as part of the IRPC Sustainability Growth activities on October 14, 2015, to share knowledge of business practices under the DJSI Sustainability Business with DJSI Appliance, and invited its business partners to adopt and comply with the IRPC Supplier Code of Conduct and the IRPC anti-corruption policy. With these policies, business partners can enjoy using the venue provided for launching any complaints or selecting products with least impacts on the environment, or deciding to co-develop any product specialty. These activities are part of IRPC's intention to obtain Level 5 and meet assessment criteria set forth for Eco-Factory by the Industrial Environment Institute of the Federation of Thai Industries. At the conference, IRPC also introduced its Procurement Web Portal to business partners to use as another communication channel with the IRPC Procurement group on various issues such as e-sourcing (RFP and RFQ), evaluation (AVL and ACL) for convenience, speed, transparency and auditability by business partners.

- IRPC invited its business partners to participate in the PTT Group CG Day 2015 on August 25, 2015. Jointly organized by six listed companies under the PTT Group, the event strengthened corporate governance practices and extended the CG network to business partner groups, as well as inviting business partners to join the anti-corruption movement.

- Jointly organized with contractors the IRPC CSHE Day on November 27, 2015, to raise awareness among all contractors on human rights and campaign for contract workers and employees to be fully conscious of work quality, safety, occupational health and the environment.

- To comply with good corporate governance and anti-corruption policies, IRPC issued an announcement to the Company's Business partners to prohibit giving and accepting gifts during the New Year and other celebrations.

4. Competitors

IRPC manages its businesses under the policy of equality with all competitors under a fair-competition framework, laws, ethics and business code of conduct on business competition. IRPC does not seek information about its competitors' trade secrets, including their intellectual properties, through dishonest means, or damage competitors' reputation without factual data.

5. Creditors

IRPC honestly and strictly honors all contractual conditions and obligations with its creditors and financial institutions in the entirety, including disclosure of accurate and factual data. Wherever IRPC cannot comply with a contract or an agreement, a prior notification shall be made to the respective creditor and call for a joint resolution.

6. Employees

With full recognition of the value of its human assets to drive the organization to success, IRPC is committed to doing its best to continuously look after, develop potential and generate good quality of life for its employees to the same level of peer leading companies. These can be achieved by providing appropriate, fair compensation and benefits to employees and retain quality employees with the organization for the long term; creating good work culture and good work atmosphere, giving priority to human rights, ensuring safety and occupational health in the workplace with proper work equipment, and a respect for worker's privacy.

- Highlights of key activities and employee development Design of a human resource management structure in pursuit of HR Excellence, as part of the DELTA Project, including the following.

- Organizational restructuring for higher efficiency: IRPC pursued organizational restructuring, including job re-evaluation, redefining compensation and benefits structures, manpower planning, and creating

professional career development in order to increase the human resource management efficiency.

- Development of Performance Management System (PMS): A new performance appraisal system was put in place with specific set of KPIs for thoroughly explainable, fair performance measurement. A new salary structure compatible with peer industries was adopted for IRPC to retain quality employees. The system also provides promotional criteria which are fair and explainable to all, with a specific set of knowledge and capability for each job which can be used to design proper training and development programs for job holders.

- Leadership development: IRPC introduced performance appraisals for their leaders, including 180-degree performance behavioral feedback and leadership. An attitude test was also introduced to measure the relationship between an employee and the organization to support the development and creation of proper motivation to strengthen ties of such relationship and cope with changes and growth of the organization in the long term.

- Creation of organizational values: To support alignment with values of PTT Group, IRPC introduced and nurtured the i SPIRIT as an organizational culture to drive the entire organization in the same direction (both short-term and long-term)

- Development of knowledge and capab
 - IRPC issued a policy with guiding principles on human resource management and published "A Handbook and Guiding Principle for Human Resource Management", with management signature, to communicate and disseminate to employees to be fully aware of its systematic human resource management, policy, standards and work practices, as well as various rights of the employees.

- IRPC published a policy on training and development for employees in the "Training and Development Handbook", for use as a tool and guidelines for managing employees' development through giving

knowledge and capability, and creating potential of each employee. Four training needs were defined for all executives and employees: management, safety & environment, quality & productivity, and technical, including the business code of conduct and anti-corruption training under the corporate policy. Moreover, an individual development plan was introduced as a performance management tool for an employee and his or her supervisor to plan efficient development and proper technical career development. Each employee plans and attends training for certain hours per year, and the training statistics are reported in the Sustainability Report.

- Communication and activities with employees

- The "President meets Employees" activities are held quarterly and whenever there is a critical need for communication. The general topics for communication in this program are sharing of general work performance, policy, and business directions to employees for better understanding, questioning and information exchange. The activity is held in a room, with video conference broadcast to all operating offices for two-way communication via the company's intranet.

- The communication program between the president and executives and the labor union is promoted to support activities of the union and improved relationship between the two groups. Some of these activities are the annual party and the 15th anniversary of the union of IRPC and its subsidiaries including all eight labor unions. With full intention on the rights and benefits of employees, the president always presides as chairman of the meeting, together with the employee committee, to efficiently develop resolutions between the employer and employees on issues in a timely manner.

- The President, executives and employees jointly organize an annual retirement party to honor and inspire employees who devote themselves and are dedicated to working for the company, while fostering a good model for an organizational culture.





IRPC staff meet the CEO



EVEREST Project Communication

- Compensation and welfare to employees
 - Developed a compensation policy conforming to work performance in the short term and the long term. The review process is appraised with assessment of the agreed at the organization, business unit and individual level for the completed year against its competencies. A variation bonus was granted to senior executives in proportion with specific achievements in the pilot year of the program.
 - Modified the welfare structure to better retain quality employees, promote and upgrade the quality of life of employees. These welfare benefits included medical fees, housing rent and non-resident allowance.
 - Formulated a provident fund for the long-term welfare of employees, with a higher company contribution than the legal requirement and exponential to service years. Employees were given data and training, together with options for appropriate investment, depending on the individual's need for maximum return and investment flexibility.
 - Organized annual recognition service-year awards for employees with 10, 20 and 30 service years.
 - Recognition of commercial patents and intellectual property IRPC constantly promotes and creates awareness among its workforce of commercial patents and intellectual property. Several campaigns were organized to remind employees to fully comply with the Copyright Act B.E. 2537 (1994). IRPC also published its policy on standard practices to use its computer machines and computing network, as well as good operation practice to prevent employees from using illegal computer programs and software. Periodic reviews and monitoring are conducted to prevent infringement.
 - Internal Audit is tasked to monitor and audit violations on the use of copyrights owned by IRPC, and to protect and optimize IRPC's intellectual properties.

7. Society and Community

(referenced to details described in the CSR Report on social responsibility activities Page 207-217)

IRPC's sustainable value creation is fully incorporated with the stakeholder management and the community and social activity program under the integrated corporate community and social responsibility policy with long-term and annual activities guided by the Creating Shared Value (CSV) approach. Under this policy, there is no segregation, exclusion or selective treatment to differences in gender, nationality and religion but to fully respect human rights, conforming to the guiding principles of the UN Global Compact and UNICEF, adopted and adapted by IRPC to fit with the Thai social setting and the development of its corporate CSR policy. Thanks to the policy and its commitment, IRPC was honored with the "Asia Responsible Entrepreneurship Awards: Social Empowerment" from the "From Bench to Community" program, presented by Enterprise Asia, Hong Kong. Below are highlights of community and social activities and development.

- Development of a policy and clear guidelines on fair, socially responsible practices, sustainability management policy, corporate governance policy and compliance policy, as well as policy adjustments to cope with changes.
- Promotion of activities on joint community development. Activities in 2015 included the participation in the CSR-DIW by 11 IRPC plants including PW, PP, PS, ADU2, ETP, ACB, PRP, LUBE, WWT1, WWT2, Polyol and Ban Khai distillation plant; of which four (ETP, ACB, ADU2 and PRP) were qualified for outstanding community programs.
- Continued the IRPC Cubic Academy with Class 2 after the graduation of Class 1 on August 20, 2015. Class 2 graduation was on December 25, 2015, with participation of 27 external attendees.

- Supported the “1 for 9 Project” by having IRPCT volunteers provide classes for two Border Patrol Police schools, special tuition on O-NET/A-NET for one school, organizing special activity on turning dream into a meal under the “Moderate Class More Knowledge” initiative, and taking executives of the Office for National Education Standards and Quality Assessment (ONESQA) and four groups of teachers from different schools to visit IRPC facilities and observe community enterprises at Tambon Choeng Noen, Amphoe Muang, Rayong.
- Supported the “Build Canal, Build Generation Project” with value-added activities including allocation of the rice market for rice farmers in Tambon Lam Sai Yong, Buri Ram, and provision of tap water and drinking water for the communities.

8. Environment and Natural Resources

IRPC has developed a policy on responsibility to the environment, natural resources and safety, which are critical agenda items for the world community today. IRPC was selected by the Industrial Environment Institute of the Federation of Thai Industries as a role model for eco-industrial operations. The highlighted 2015 activities pertaining to the development of the environment, natural resources and safety are summarized as follows.

- Defined a clear, concrete policy on safety and occupational health for all employees for all sites, including contract workforce under service hire and contractual agreements for short-term work services. Under the policy, a number of key indicators relevant to rates of accident, loss time or work injury were developed, with publication of these statistics in the sustainability report. Also, developed a policy and guiding principles to care for the environment, with practices complying with international standards and laws and an ultimate goal to become an Eco-Factory.
- Jointly promoted 4 environmental projects with the Office of Environmental Fund under the Office of Natural Resources and Environmental Policy and Planning. Four projects organized in 2015 were
 1. Tree thunnel at Sri Mahosot Project
 2. Prohibited food from wild animal campaign
 3. Herb Project at Phu Lanka
 4. Forest Reservation, Burirum Province.
- Continuously managed health development programs in areas surrounding the IRPC Industrial Zone, including the community's wellness through the use of a geographic

information system (GIS), mobile medical clinic, drinking water for community, sports for youths, potential development for the Local Administrative Organization and stakeholders, and so on.

- Joined as an expert panel of the public talk on CSR activities on natural resources and the environment, with participation of the private sector, now and in the future.
- Organized and jointly organized various activities promoting the development of the environment, natural resources and safety (details published in the Management on Quality, Safety, Occupational Health and the Environment, Page 197-206, and Sustainability Management, Page 192-196).

4. Disclosure and Transparency

IRPC is committed to accurate, complete, sufficient, timely, transparent and equitable disclosure of financial and non-financial information to the shareholders, investors and analysts. It has set guidelines on information disclosure as follows:

1. Reports on company information under the rules set by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as follows:
 - Reports on vested interests of the directors and executives under SEC's rules. Details as shown in the Management Structure, page...
 - Important news and financial statements via SET's channel (SET Portal)
 - Annual Report 2014, which features key information on performance and financial statements unconditionally approved by the auditor. IRPC has never been ordered by SEC and SET to make any amendment.
 - Disclosure of information on business transactions, or agreement made between the shareholders which posed significant impact on other shareholders or IRPC.



Governance and Private Sector Seminar in CSR: Environment & Natural Resources



Investors and Media Conference on Petrochemical Investment in Phuket

- Corporate Sustainability Report 2014 to communicate the approach to management and economic, social and environment performances. IRPC adopted the Sustainability Reporting Guidelines by Global Reporting Initiative, version 4 (GRI G.4), so that the disclosure of information may meet international standards and can be assessed against the “core” level. The information was reviewed by an external agency for reliability and was sent to the shareholders together with the annual report. It is also available via IRPC’s website.

- The Communication on Progress (CoP) report presented to UN Global Compact. IRPC joined the UN Global Compact in 2011 as an associate member and was committed to operating and reporting the performance under the UN Global Compact guidelines. The reporting for 2014-2015 has been upgraded to the GC Advanced Level, the highest level of reporting. The report is available on IRPC’s website. The electronic report was forwarded to the UN Global Compact website (www.unglobalcompact.org).

2. E-communication: Important information is disclosed in the annual report and on IRPC’s website at www.irpc.co.th for timely and up-to-date disclosure in Thai and English, such as vision, nature of business, press releases, shareholding structure, organization structure, business group structure, details of the Board and the management, investor relations, affidavit, articles of association, memorandum of association, annual report (downloadable), notice of the shareholders’ meeting (downloadable), shareholders’ meeting documents, financial statements, annual registration statements (Form 56-1), documents for the analyst meeting, CG policy, activities and other information relating to IRPC’s businesses, IRPC’s responsibilities, treatment of stakeholders, and operation in pursuit of sustainable growth.

3. Communication through printed media, radio, television, activities with stakeholders and other public relations channels such as Newsletter to regularly inform the shareholders on IRPC’s performance results and important activities.

4. Direct disclosure to shareholders, investors, securities analysts and the press.

Activity	Times
Roadshow (aboard)	4
Roadshow (domestic)	7
Analyst Meeting	4
Opportunity Day	4
Company Visit (video conference)	8
Company Visit (site visit)	32
SET in the City 2015	1
IRPC Newsletter	4
Meeting with the press / press conference/ press release	19

5. No disclosure on IRPC’s performance to investors or analysts or appointment with any analysts during the seven days prior to performance reporting to SET.

Thanks to its outstanding performance in 2015, IRPC’s Investor Relations has been recognized by investors and analysts, and won the “Corporate Governance Asia Recognition Awards 2015: Best Investor Relations by Company” from Corporate Governance Asia Magazine in recognition of the transparent and fair information disclosure to investors and stakeholders.

Investors and interested parties can acquire more information via IRPC’s website, www.irpc.co.th, or directly contact Investor Relations at:

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

5. Board Responsibilities

With their Fiduciary Duties, The Boards of Directors have performance as follows:

1. Duty of Care

The Board carefully performed their duties with cautions as well as oversee the Company to conduct business with sustainability while enhancing benefits to all stakeholders. (detailed as shown in Corporate Responsibility page 207-217)

2. Duty of Loyalty

The Board performed their duties with honesty for utmost benefits of shareholders, stakeholders, and society. (detailed as shown in Performance Summary page 165-181)

3. Duty of Obedience

The Board oversee and supported the Company to strictly conduct the business in compliance with laws, regulations, and other relevant conditions. Therefore, in 2015, the board had set the "Compliance Policy" (detailed as shown in the Management Structure page 165-181)

4. Duty of Disclosure

The Board oversee that the Company had disclosed accurate information required by laws, as well as disclosed useful information to investors. (detailed as shown in Information Disclosure and Transparency page 165-181)

- In 2016, The Board performs with integrity, honesty, transparency and vision, and elevated the corporate governance level of IRPC in line with the ASEAN CG Scorecard standard as follows:

- The number of listed companies where each director can serve as a director was set at five.
- The term of office for each independent director was set to up to nine years (three consecutive terms)

- In addition to the annual performance assessment by IRPC, the Board arranged for the assessment of the Board and sub-committees by independent assessment for the year 2015 based on the ASEAN CG Scorecard standard, and planned to go through this every three years.

- Review and develop forms for performance assessment of the Board and sub-committees in line with SET's assessment guidelines 2015.

- Allow the shareholders to propose meeting agenda and nominate directors.

- Define a Corporate Compliance Policy covering eight areas: 1) compliance with related laws and regulations 2) fair competition and anti-monopoly 3) anti-corruption and no bribery 4) respect for and compliance with human rights principles 5) protection of intellectual property rights 6) anti-money laundering 7) management of company properties and information 8) environmental, health and safety responsibility.

Structure of the Board and Terms of Office

- The Board consists of at least five and up to 15 directors, at least half of whom must be residing in Thailand. Gender is not one of the criteria for the nomination of directors, and directors must have the qualifications as stipulated in the Public Company Act on the Board of Directors.

- The age of directors must not exceed 70 years.

- Have extensive and various knowledge, expertise, and experience which are suitable to and benefit IRPC's businesses. IRPC has prepared a skill matrix defining the qualifications of its directors as framework for the nomination and appointment of directors to ensure efficient and complete composition of the Board in every aspects.

- Dedicate time to performing duties appropriately and efficiently, make important decisions for the best interests of company, display leadership and are role models in ethics, and possess other appropriate and qualifications for directors of listed companies.

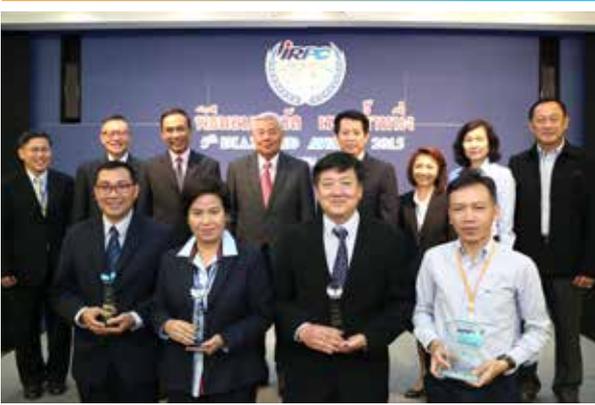
- The term of office of directors and independent directors shall not exceed three consecutive terms (nine years).

- The number of companies listed on SET where each director can serve as a director must not exceed five. (Detail in Management Structure Page 117)

Scope of Duties of the Board

- Define vision, directions, and strategy to support sustainable growth. The Board is engaged in a brainstorm to formulate Board Strategic Thinking Session (STS) every August. Reviews are performed on all economic, social and environmental strategies, crisis and opportunity, and potential risks to ensure business growth and competitiveness so that the management can incorporated them in the formulation of operating plans for efficient implementation such as financial, investment, risk management, internal control and audit, sustainability management, and social and environmental responsibility plans.

For the year 2015, STS was held on August, 21. Directors had gathered information useful for defining IRPC's business direction prior to the meeting and had engaged in extensive discussion on the meeting day. As a result, the five-year operating plan was approved with strategies for Excellence ie: Operational Excellence, Financial Excellence, HR Excellence, SD Excellence, IRPCT Excellence and CG & CSR Excellence. The plan will be reviewed annually by the Board.



IRPC Audit Committee gave the Diamond Awards to the winner who had practice on outstanding internal control and transparen

- Establish reliable systems for accounting, financial reporting, and auditing and ensure that the processes for internal control and audit assessment are in place and are sufficient and efficient. This year, IRPC won “The Audit Committee of the Year 2015” at the “Board of the Year Awards 2015” event.
- Establish a corporate governance policy which reflects the Board’s corporate governance guidelines and roles and responsibility. The Board is to set, introduce, approve and review the corporate governance policy, as well as policies on business ethics and the code of conduct for all directors, management and employees and disclose downloadable details via IRPC’s website.
- Instruct all directors, management, and employees to comply with the business ethics and corporate governance manual, and establish measures for efficiently monitoring and reporting the performance.
- Establish a policy on the holding of offices as directors at other companies or other positions by the President.
- No record on violation of SEC’s or SET’s rules or regulations, or any reprimand from related regulators or governmental agencies.

Approval Authority of the Board

1. Approve vision, strategies, short-term and long-term business plans, and important policies such as those on risk management and anti-corruption, as well as financial goals and annual plans and budget.
2. Approve financial criteria, investment and investment directions
3. Approve procurement for the portion exceeding the authorized amount of the President under the authority given for each item.

4. Approve major operations within the objectives, articles of association and resolutions of shareholders’ meetings, and ensure that the management operates under given plans and policies with efficiency and effectiveness.
5. Approve the President’s performance assessment and remuneration.
6. Approve interim dividend payment and annual employees’ remuneration.
7. Approve the President’s service as director at other companies or any academic or social positions.
8. Approve management members’ service as directors at affiliates or joint-venture companies in proportion with the shares held.

For crucial matters and matters that need the approval of shareholders as required by law, the Board must arrange for the submission of all such matters for the shareholders’ consideration and approval.

Directors’ Nomination and Appointment

Independent directors

- IRPC has redefined the definition of independent directors which is stricter than that of SEC and SET, and included in the Corporate Governance Manual independent directors’ qualifications, terms of office, and limitation on the number of listed companies each independent director can serve. Details are shown under Management Structure, page 117-118

Nomination and Appointment

- To ensure the transparency of directors’ nomination and appointment and ensure that it is in compliance with CG principles, the Board appoints the Nomination and Remuneration Committee to screen and select competent candidates through a systematic process, as well as to allow shareholders to nominate candidates of their choices, regardless of gender, social status, or religion, and then propose them to Board and shareholders’ meetings for approval. The procedures follow the rules on diversity of knowledge and experience (Skill Matrix). IOD’s and the Ministry of Finance’s Directors’ Pool are also used in identifying potential candidates. IRPC’s nomination and appointment of directors is in compliance with CG principles.

Separation of Chairman and President

- As the role of the Chairman is to control and monitor, while the role of the President is to manage, the Board therefore rules that the Chairman and the President must be two separate persons so that they may be

independent from each other. The present Chairman, Mr. Tevin Vongvanich, is not an independent director; however, the Board has unanimously appointed him Chairman, as he possesses extensive knowledge in the energy, petroleum, and petrochemical businesses and is experienced in running major companies, which is considered beneficial for IRPC's businesses.

Chairman's Scope of Duties

- The Chairman schedules the meetings and, in collaboration with the President, establishes agenda for all Board meetings, ensuring that all crucial issues are included. The directors are free to propose agenda items for the meeting by notifying the Chairman. The President, as Secretary to the Board, is responsible for agenda preparation.
- The Chairman controls and conducts meetings with efficiency and in compliance with IRPC's regulations, encouraging directors to freely express their opinions and allocating sufficient time for executives to make their presentations and directors to discuss on essential issues. The average meeting time is about 2.5 hours.
- The Chairman must establish clear measures to ensure that the directors receive all relevant meeting documents and have sufficient time to study, consider and make a proper decision on each agenda item. The Chairman reviews the issues and agenda documents with the President/Secretary to the Board two days in advance of every meeting to ensure completeness of the documents and decide whether the directors should need additional information, in order that the meetings can be smoothly conducted.
- The Chairman supports and encourages directors to perform their duties to the best of their ability, within the scope of authority, duties and responsibility and in compliance with corporate governance principles.
- Monitor and follow up on the Board's and sub-committees' performance in order to achieve the goals.
- Cast the decisive vote in the case there is a tie in the voting of the Board.

Sub-Committees

The Board appoints four sub- committees, namely the Audit Committee, Corporate Governance Committee, Nomination and Remuneration Committee, and Risk Management Committee to prudently and efficiently screen significant issues according to the clearly defined roles and duties (details under Structure of the Board: sub-committees, page 120-125)

1. Audit Committee *(a total of 12 meetings held in 2015)*

Audit Committee

1. Mr. Cherdpong Siriwit
Independent director/ Chairman of the Audit Committee
2. Mr. Songpope Polachan
Independent director/ Member of the Audit Committee
3. Mr. Trumph Jalichandra
Independent director/ Member of the Audit Committee

Roles and responsibilities

The Audit Committee defines the auditing policy, reviews the internal control system and reports the findings to the Board and stakeholders. The Office of Corporate Internal Audit carries out the audit and submits the results to the Audit Committee, which focuses on important issues such as assessment and review of the internal audit system, review of financial statements and connected transactions between IRPC and related parties, appointment and dismissal of the external auditor as well as the head of the Office of Corporate Internal Audit, which reports directly to the Audit Committee, with Mr. Thammak Panyowatkool, Executive Vice President, Corporate Accounting, as the acting head of the Office and Secretary to the Audit Committee. Duties and responsibilities of the Audit Committee and meeting attendance of each director appear under Management Structure, page 121-122 and 126

2. Nomination and Remuneration Committee

(a total of eight meetings held in 2015)

Nomination and Remuneration Committee

1. Mr. Woothisarn Tanchai
Independent director/Chairman of the Nomination and Remuneration Committee
2. Mr. Sarun Rungkasiri
Director/ Member of the Nomination and Remuneration Committee
3. Mr. Songpope Polachan
Independent director/Member of the Nomination and Remuneration Committee

Roles and responsibilities

The Nomination and Remuneration Committee is responsible for the nomination of competent candidates for the positions of President, directors of the Board and sub-committees as well as their remuneration for the Board or the shareholders' consideration. The procedures in such determination must be transparent,

based on fair principles and reliable information for the maximum benefits of IRPC and shareholders. Duties and responsibilities of the Nomination and Remuneration Committee and meeting attendance of each director appear under Management Structure, page 121-123 and 126.

Qualifications of the Nomination and Remuneration Committee

- The Board appoints the Nomination and Remuneration Committee
- The Nomination and Remuneration Committees must consist of at least three directors and at least one of them must be an independent director. (Two members (over 50%) of the current committee are independent directors.)

3. Corporate Governance Committee

(a total of seven meetings held in 2015)

Corporate Governance Committee	
1.	Mr. Watcharakiti Watcharothai Independent director/ Chairman of the Corporate Governance Committee
2.	Lt. Gen. Sasin Thongpakdee Independent director/ Member of the Corporate Governance Committee
3.	Mr. Pramual Chanpong Director/ Member of the Corporate Governance Committee

Roles and responsibilities

The Corporate Governance Committee is responsible for the formulation of corporate governance guidelines and provides related recommendations to the Board, ensures that the implementation of IRPC's corporate governance is in accordance with the annual corporate governance operation plan aimed to promote corporate governance strict compliance among directors, executives and employees, and develops and elevates corporate governance level as planned. In 2015, the committee implemented new plans to promote stakeholders' participation, such as IRPC Cubic Academy and activities with trade partners. Duties and responsibilities of the committee and meeting attendance of each director appear under Management Structure, page 124-126.

Qualifications of the Corporate Governance Committee

- The Corporate Governance Committee must consist of at least three directors and at least one of them must be an independent director. (Two members (over 50%) of the current committee are independent directors)
- Must be knowledgeable and keen on corporate governance principles of international practices.

4. Risk Management Committee

(a total of five meetings held in 2015)

Risk Management Committee	
1.	Mr. Sarun Rungkasiri Director/ Chairman of the Risk Management Committee
2.	Mr. Prasit Suebchana Director/ Member of the Risk Management Committee
3.	Mr. Sukrit Surabotsopon Director/Member of the Risk Management Committee

Roles and responsibilities

The Risk Management Committee defines the risk management policy and plans, together with the risk management process for the entire company, develops the risk management system, consider principles on financial and derivative instruments, follow ups and assesses the application of risk management methods for alignment with IRPC's business plans, and regularly reports to the Board. Its duties and responsibilities and the meeting attendance of each director under Management Structure, page 124-126.

Qualifications of the Risk Management Committee

The Risk Management Committee must consist of at least three directors who are experts in petroleum and petrochemical businesses or other fields which will be beneficial to IRPC's risk management.

Board Meetings

Board meetings are set in advance every year. The Company Secretary (Ms. Monwipa Choopiban has been appointed Company Secretary since 2012.) will advise the Board of the next year's meeting schedule in advance to allow time for the directors to schedule their time to attend. Additional meetings may be called as appropriate. The Company Secretary is responsible for staging the meeting, sending meeting notices and agenda of the meeting, supporting documents to the directors at least five days in advance to allow time for adequate perusal.

IRPC has set the rules for the meeting as follows:

- The Board must meet at least once a month. Each director must attend at least 75% of all the meetings held. In 2015, the Committee met 12 times (Details of each director's attendance as on page 126)
- The number of attending directors must consist of at least half of all directors to form a quorum under the Articles of Association registered with the Ministry of Commerce.
- Board resolutions must carry the majority votes, and at least two-thirds of all directors must be present at the meeting. Directors with vested interests must refrain from expressing their opinions and abstain from voting on that agenda. (See CG Manual, Part 2, Article 2.6).
- The Board has a policy for the non-management directors to convene a meeting in the absence of the management at least once a year.
- The Board has a policy for a meeting among the independent directors at least 2 times a year
- The Board has set a rule to convene an offsite meeting at least once a year to enhance relations and understanding among the directors and executives. In 2015, the meeting was held at Kamnoetvidya Science Academy, Rayong, on June 19.

The Board has defined goals, long-term strategies, and workplan 2015, together with KPIs in significant as follows:

1. IRPC's economic performance
2. Quality, safety and occupational health index
3. Environmental, energy and resource efficiency index
4. Sustainability under DJSI guidelines and factors
5. Employees and organizational health index (OHI).



The Board of Directors visited the UHV Project Construction at the IRPC Industrial estate, Rayong

Board Performance Assessment

The Board and sub-committees annually conduct performance assessment and report the results to the Corporate Governance Committee and the Board respectively. The assessment allows review of the performance of the past year, whether the work has been fulfilled and are appropriate within the scope of work and in compliance with corporate governance principles. The results will result in improvement for the subsequent year.

In 2015, IRPC included its assessment of the Board and sub-committees by independent assessment and intends to conduct it every three years.

Annual Performance Assessment

IRPC has prepared a Performance Assessment Form for the Board and sub-committees.

Summary of the overall performance assessment of the Board as follows:

1. An average score of 95.28%

Assessment Areas	Point
• Board's structure and qualifications	93.10%
• Role and responsibilities of the Board in defining business policies	94.68%
• Board's practices	96.79%
• Board's meeting	96.57%

The Board has recommended that directors with expertise in commerce, personnel and accounting should be included in the composition, as well as more independent directors in the future, and IRPC should be prepared for unplanned shutdowns of the plant which might cause pollution and impacts on communities.

2. Results of the assessment :
 - Self-assessment 2015: An average score of 95.97%
 - Cross-assessment of other directors 2015: An average score of 89.15%

Assessment Areas	Self-assessment	Cross-assessment
• Board's qualifications	94.00%	89.97%
• Accountability of one's own decision and justification	99.05%	91.56%
• Responsibility for one's own work with due competence and sufficient efficiency	94.29%	87.73%
• Equitable, fair, and justifiable treatment of stakeholders	97.14%	90.67%
• Transparency in one's own work with accountability and information disclosure	97.86%	83.33%
• Vision to create long-term value for IRPC	91.43%	88.00%
• Business ethics/ code of conduct	98.10%	92.89%

3. Assessment of Audit Committee

3.1 Performance assessment of the entire Audit Committee for 2015: An average score of 99.44%

Assessment Areas	Point
• Structure and composition of the Audit Committee	96.66%
• Roles and responsibilities	100%
• Relations with the internal and external auditors	100%
• Relations with the management	100%
• Reporting	100%
• Quality control	100%

3.2 Individual assessment of the Audit Committee 2015: An average score of 91.95%

Assessment Areas	Point
• Business knowledge	88.88%
• Expertise in performing duties	91.66%
• Authorities and responsibilities assigned	80.55%
• Independency and integrity	100%
• Understanding of roles and responsibilities	95.23%
• Performing and meeting	95.37%

3.3 Performance Assessment of Audit Committee by the Chairman for 2015. An average score of 100%

4. Results of the Performance Assessment of the sub-committees for 2015

- Nomination and Remuneration Committee: An average score of 92.15%
- Corporate Governance Committee : An average score of 98.96%
- Risk Management Committee : An average score of 99.44%

Assessment Area	Nomination and Remuneration Committee	Corporate Governance Committee	Risk Management Committee
Structure of the Committee	91.11%	97.77%	97.77%
Policy of the Committee	88.33%	98.09%	100%
Practices of the Committee	94.16%	100%	100%
Meetings of the Committee	95.00%	100%	100%

Independent Assessment of Board of Directors

In 2015, the Good Corporate Governance Committee decided to undertake a self- evaluation of the Board of Directors and also the 4 Board Committees, namely: the Audit Committee, the Corporate Governance Committee, the Nomination and Remuneration Committee, and the Risk Management Committee.

Additionally, a self-evaluation of their own respective performances was undertaken by the Chairman of the Board and by each individual Director, through engaging an external consultant, which in accordance with the best practices specified by the Principles of Good Corporate Governance of the Stock Exchange of Thailand (SET) in Section 5 - 5.3: Responsibilities of the Board of Directors. Those best practices recommend engaging an external consultant to assist in defining guidelines and procedures together with appropriate recommendations regarding the performance evaluation process for a Company's Board of Directors that should take place every 3 years; as well as disclosing the results of such performance evaluation exercises in the Company's Annual Report. This is in order to open up opportunities for receiving any external insights and inputs regarding the discharge of the duties and responsibilities by the Company's Board of Directors, so as to lead to any required improvements to be made accordingly in order that the Board of Directors will always act in timely manner appropriate to the current situation and environment, as well as to enhance the working standards of the Board of Directors of the IRPC Plc. to be on par with international standards.

• Results of the Performance of the Board of Directors

In undertaking a self-evaluation of the Board of Directors, external experienced assistance was acquired by engaging the independent consultant Governance Matters Thailand (GMT) that is part of the Australian-based Governance Matters (GM) network, together with making use of comparable performance indicators (or benchmarks) as used for 50 Australian companies. These performance indicators were exactly the same as specified on evaluation form used there, which assesses 8 categories of a Board of Directors' performance, namely: 1.Structure and Skills; 2.Strategic Direction and Planning; 3.Policy; 4.Monitoring and Supervision; 5.Accountability; 6.CEO and Succession; 7.Leadership and Teamwork; and 8.Agendas, Papers, Meetings and Minutes.

The results of the self-evaluation of the performance of the Board of Directors of IRPC Plc., based on a 'model governance performance against benchmarks' process, show an overall average score of 94 points – namely, IRPC received a 'very good' rating for its overall governance and oversight activities - which should be well-accepted and used as a positive role model by other companies - as shown in the 'rating chart' below that indicate the actual scores (blue line) being is higher than the comparable established 'benchmarks' (red line) for each key performance aspect or element.

The key aspects that the Board of Directors of IRPC Plc. considers to be indicative of the overall effectiveness of the Board's performance is its good teamwork, together with the ability of its Board Members to express their respective opinions in a fully independent manner. The Board of Directors work together for the maximum benefit of the Company as a whole. The respective members of the Board of Directors all possess good moral principles, and are fully intent on devoting themselves to their work responsibilities, both of which are the desired core characteristics of effective Board of Directors.

At the same time, from the results of the evaluation of the performance of the Board of Directors an assessment was made in regards to the planned

development, on a continuing basis, of the Board of Directors together with ongoing plans to increase the implementation of good corporate governance principles into actual practices within the organization.

Results of the Performance of Sub Committees

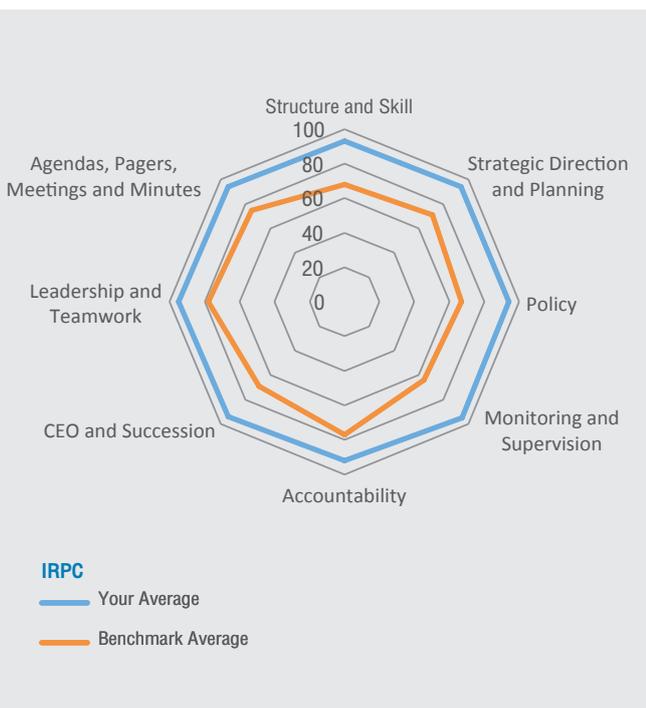
The overall achieved average score for all Board Committees was 95 points; namely, it means that all Board Committees achieved the required effectiveness in regards to their governance and oversight responsibilities, or achieved 'very good' standards of good corporate governance.

Audit Committee

The key aspects or elements used in evaluating the performance of the Audit Committee comprised of: 1.Composition; 2.Charter, Duties, and Responsibilities; 3.Auditors; 4.Meetings; and 5.Reporting. The overall achieved average score from the evaluation exercise was 97 points; namely: the Audit Committee was highly effective in its assigned duties and responsibilities - such as, held very effective and productive Committee meetings, and received a high score of 98 points for its reports to the Board of Directors. Nevertheless, the Audit Committee has, in place, plans to develop and further improve its audit activities, through making use of various available technology and tools that will enhance their overall effectiveness.

Nomination and Remuneration Committee

The self-evaluation of its performance by the Nomination and Remuneration Committee was based on these 4 key aspects or elements: 1.Composition; 2.Charter, Duties, and Responsibilities; 3.Meetings; and 4.Reporting; whereby an overall average score of 95 points was achieved - with a highest score of 99 points being received for Reporting. This indicates the effectiveness of this Board Committee for the reports prepared and submitted to the Company's Board of Directors; while the achieved scores for various other aspects are: 97 and 93 for composition and Meetings respectively. The Nomination and Remuneration Committee will formulate plans to further improve its overall effectiveness in the selection and nomination process for new Board Directors - through using 'Board Skill Matrix', which will facilitate in having in place a Board of Directors comprised of characteristics and qualifications that are fully aligned with the intended strategic direction and goals of the organization as well as being varied in terms of age and gender together with a Board of Directors that possesses



varied insights, opinions and ideas. This plan also includes analyzing the current 'Board skills gap, so as to be well-prepared in selecting and nominating appropriate candidates for new Board Directors whenever the occasion arises.

Risk Management Committee

The self-evaluation of the performance of the Risk Management Committee was based on these 4 categories: 1.Composition; 2.Charter, Duties, and Responsibilities; 3.Meetings; and 4.Reporting; whereby it resulted in an overall achieved average score of 96 points. This score indicates that the Risk Management Committee is most effective in terms undertaking various activities in full accordance with its stated Charter. Effectiveness in discharging its responsibilities and in reporting to the Board of Directors received a high score of 96 points. As for the scores received for other key aspects, they were 95 and 94 points for Composition and Effective Meetings respectively. The Risk Management Committee has determined a risk management plan, that has the objective and goals to create an increased awareness, on the part of all Staff members at every level within the organization, of the vital importance of preventing against perceived risks together with the full recognition, on their part, that this is the responsibility of everyone throughout the organization.

Corporate Governance Committee

The evaluation of the performance of the Corporate Governance Committee was based on these 4 categories: 1. Composition; 2. Charter, Duties, and Responsibilities; 3. Meetings; and 4.Reporting; whereby it received the overall average score of 94 points. The Charter, Duties, and Responsibilities aspects received the highest score of 95 points; while the other key aspects received a respective score of not less than 93 points. As such, it is considered that the Corporate Governance Committee has achieved a 'very good' overall standard of effectiveness in discharging its assigned oversight and governance responsibilities.

The Corporate Governance Committee has defined plans to further enhances its overall effectiveness in discharging its duties, through determining its good governance principles and policies in a more clearly defined, concise and comprehensive manner, as well as through focusing more achieving effective implementation of these principles and policies into genuine and real practices – namely, focusing more on 'substance than form'.

Results of the Performance of the Chairman and Individual Directors

The self-evaluation for the performance of individual director - including the Chairman of the Board were based on the categories following:

- Categories used in evaluating the performance of the Chairman of the Board were: 1.Strategic; 2.Ethics/ Values; 3. Knowledge and Experience; 4. Relationship with other Directors; 5.Relationship with the Chief Executive Officer; 6.Public Profile; 7.Diligence; and 8. Chairing Meetings.

- Categories used in evaluating the performance of Board Directors on an individual basis were: 1.Character; 2.Knowledge and Experiences; 3. Competence and Judgement; 4.Diligence; and 5. Collegiality

The results of the self-evaluation of the performance of the Chairman of the Board and Board Directors, on an individual basis, achieved an overall average score of 95 points.

Additional plans to further develop and improve the overall effectiveness of the activities of the Board of Directors.

In undertaking a self-evaluation of the performance of the Board of Directors, the overall intent and objective is to enable further positive changes to the activities of the Board of Directors. As such, focus should be given to the required changes and areas for improvement despite having already achieved a high score this time around. From these evaluation results, the Board of Directors sees that further improvements to its overall effectiveness can still be made in these areas of activities:

- Selecting and nominating for appointment of new Board Directors,
- Developing the skills of Board Directors on a continuing basis,
- Allocating more time to consider strategic matters and issues,
- Reviewing established policies, and
- Making arrangements and preparation for Board Meetings in a systematic manner

As such within each area of activities, both the Company Secretary and the Secretary of the respective involved each Board Committee will need to monitor and closely follow-up together, so as to ensure they are implemented according to the established plans and agreed goals. Various suggestions and recommendations from Independent Assessor could be used to define



The Board's Room in Strategic Formulation Session

the plan to support further development of Board of Directors accordingly.

President Performance Assessment

Performance Evaluation of the President are designed under clear, transparent, accountable, and taking into consideration of his duties and responsibility and the company's out come. The evaluation processes are as follow:

- The Nomination and Remuneration Committee reviewed the evaluation criteria, with the president's consent in target achievement and proposed to the Board for approval in the Board meeting No.1/2015 in January 2015.
- The Nomination and Remuneration Committee considered the President performance in 2015 as per the set criteria and proposed to the Board for approved in December 2016.
- In 2016, the performance consist of corporate KPI and sustainability supporting factors.

Committee Orientation

In 2015, IRPC held an orientation for seven newly-appointed directors, namely Mr. Prasit Suebchana, Mr. Auttapol Rerkpiboon, Mr. Wasan Soypisudh, Mr. Tevin Vongvanich, Mr. Charnsin Treenuchagron, Mr. Chavalit Punthong, and Mr. Ekniti Nitithanprapas.

Essential information was provided for the new directors as follows:

1. The President presented the information, consisting of IRPC's vision, policies, organization structure, overall business operations, business performance and other relevant information to enhance their knowledge and understanding of IRPC's businesses.

2. The Company Secretary presented to them handbooks and relevant documents, including Director's Handbook (books 1-3), Corporate Governance Manual, Code of Conduct, Company's Affidavit, Objectives and Articles of Association, list of directors, duties of sub-committees, minutes of shareholders' meetings (2009- 2015), minutes of Board meetings (2012-2015), Annual Registration Statement (Form 56-1), Annual Report 2014, Sustainability Report 2014, Institute of Directors (IOD) training courses, and the schedule of Board meetings for 2015-2016.

Development of the Board and the Management

The Board encourages the directors and the management to participate in training and seminars that will be useful to their performance in business administration/ industry, roles, duties and responsibilities of directors. Ten directors have attended the basic training with IOD (the number of directors who attended and their details are shown on Page 32-41). However, for the directors that have not done so, the Company Secretary has coordinated scheduling them to the next IOD training courses as seen fit. Moreover, this year, two special presentations were held for the Board on the role of the Board in strategic formulation and on oil prices, which have direct impacts on IRPC's businesses as follows:

- On November 10, 2015, Ms. Kate Costello, a speaker on corporate governance from Governance Matters, Australia, gave a keynote address on "The Board's Role in Strategic Formulation" (a case study) to share the knowledge and experiences with the directors and the management on corporate strategic formulation based on CG principles.



*The World Oil Situation Session
by Dr. Feredium Fesharaki*

- On December 15, 2015, Mr. Feredium Fesharaki, Chairman of FACTS Global Energy, an internationally recognized energy consultancy company, gave a keynote address to the directors.

Nomination of the President

The Nomination and Remuneration Committee is responsible for the nomination for the Board's consideration of competent candidates with suitable knowledge, experience and ability for the position of President. Such candidates must possess extensive experience, knowledge and understanding of the petroleum and petrochemical businesses, as well as a good image and leadership, and comply with corporate governance.

There was no nomination for the President this year. However, the Board appointed senior executives vice president comprise of Ms. Rachadaporn Rajchataewindra, Corporate Accounting & Finance, to replace Ms. Duangkamol Settanung, Mr. Pongpraphan Titathavewatana, Petrochemical and Refinery Business Unit to replace Mr. Peerapong Achariyacheevin and Mr. Somkiat Lertritpuwadol, Corporate Commercial and Marketing.

Succession Plan

The Board ensures that IRPC commands a proper human resource management plan and a recruitment system in place for all those who will assume the positions of top executives, as well as plans on training courses to enhance their skills and knowledge, and career path development under the HR Excellence program. IRPC has a plan for succession in the position of the President, top management and middle management so that they may efficiently assume new jobs and promptly handle all situations, either academic or management, and leadership. The

plan also includes responsibility transfer and cross-functional jobs in order that they may gain extensive knowledge of IRPC's core operations in parallel with on-the-job training.

Business Monitoring for IRPC, its subsidiaries and affiliates

- Management Structure

The Board approves IRPC's management structure to ensure efficiency of business management, led by the President. This year, the Board approved the new, streamlined organization structure with fewer (flatter) authority levels to avoid redundancy and better suit the responsibilities and nature of IRPC's businesses detailed in Organization Structure Page 42

- Monitoring mechanism

Besides the nomination of the President and the management, the Board sets guidelines for monitoring the businesses of IRPC, its six subsidiaries and five affiliates (detailed under Shareholding Structure, page 93) as follows:

- The President needs the approval of the Board to serve as a director or other positions in other organizations
- Members of the management need the approval of the President to serve as a director or other positions in other organizations
- IRPC's representatives need the approval of the Board to serve as a director or management members of its subsidiaries or affiliates
- Role as shareholders of subsidiaries or affiliates
 - To exercise the voting right at shareholders' meetings under the rules and regulations of subsidiaries and affiliates, and within the Board-approved authority.

- Management mechanism for subsidiaries and affiliates

- Business conduct of the subsidiaries and affiliates must follow the direction of IRPC's main policy and must conform to market prices. Connected transactions and reports on conflicts of interest must be accurate, complete, transparent, and accountable under corporate governance.

Dividend Policy

IRPC has a policy for dividend payment of no less than 25% of the annual net profit after deduction of taxes and all provisional reserves required by law and IRPC's Articles of Association. The dividend payment also depends on the investment plans, necessity, and suitability as the Board deemed appropriate. The 2015 AGM approved dividend payment of Baht 0.08 per share for the 2014 performance, which resulted in a loss.

Use of Inside Information

The Board has defined guidelines and good practices on maintaining confidentiality of information in its Corporate Governance Manual requiring the directors, the management, and employees to be prudent in maintaining confidential information, as well as forbidding the use of inside information and disclosure of IRPC's information to outsiders. A system to maintain the confidentiality of information was established, levels of confidentiality classified, and data access restricted. IRPC's policy forbids disclosure and use of material inside information not yet revealed to the public for the benefit of oneself or others, including the trading of IRPC's shares.

Significant Conflicts with Stakeholders

IRPC was not engaged in any significant conflict with its stakeholders.

Audit Fee

In 2015, the shareholders approved the appointment of Pricewaterhouse Coopers (PWC) BAS to serve as the external auditor of IRPC Group. PWC is found to be reliable and does not have any relation or vested interests, or both, with IRPC, its subsidiaries, directors, executives, major shareholders or related parties, and therefore has full independence in auditing IRPC Group.

1. Audit fees paid to the auditor or the auditing company

Description	Amount (Baht)
1. Audit fee of IRPC	3,100,000
2. Audit fee of the affiliates	1,000,000
3. Other expenses: travel costs, postal fees, printing of reports	120,000
Total	4,220,000

2. Non-audit fees paid to the auditor or the auditing company

Description	Amount
1. Verification of privileges under two Investment Promotion Certificates, issued by Thailand's Board of Investment (BOI)	120,000
2. Tax and legal consultancy fees	552,320
3. Expenses for financial seminars	16,000
4. Seminar expenses	23,800
Total	712,120

Good Corporate Citizenship

In 2016, The practices of IRPC have reflected its Good Corporate Citizenship in 5 areas: Human Rights, Labour Rights, The Environment, Anti-Corruption Practices and Learning and Development as follows:

1. Human Rights

- Part of the good corporate citizenship that IRPC has developed is the promotion of human rights with no segregation and exclusion of human beings due to differences, with promotional activities on children, women, the handicapped and the socially disadvantaged, and fair deployment and treatment of labor workforce including
- Participated in projects and activities promoting systematic administration of human rights with independent and international organizations such as the United Nations.
- Jointly founded with nine other private enterprises the domestic UN Global Compact Local Network and used the network for knowledge exchange and pushed to respect human integrity. Participation in the network also provided decent preparation for IRPC to pursue ways of doing business under the United Nation's 17 Global Goals.
- Took part in the UNICEF Children's Right program on Children's Rights and Business Principles (CRBP), and Thaipat Institute organizing training classes

for executives and employees to fully understand precise ways to simultaneously develop business and sustainably protect children's rights. Activities on children's rights are detailed in the Corporate Social Responsibility report, page 203.

- Sponsored construction materials for Pakkred Babies Home.
- Provided materials for religious activities, regardless of religion. Supported a media center for Thai Muslims in the "Returning Peace to the South" project with the donation of the Baitullah portrait with a clock for checking al-falak (prayer) times with intention to support the correct teaching of Islam and awaken consciousness of the misguided to jointly return peace to the nation. The portraits were and will be distributed to masjids, prayer rooms in pondok (Islamic private schools), and schools or government offices with prayer rooms in southern provinces. Donations were also made to other foundations.

2. Labour Rights

- Employees: Developed rules, procedures, and practices that are fair to select, evaluate, and promote employees. IRPC provides career opportunities and career development, and training for a better quality of life of employees and their families, as well as their neighboring communities.
- Labor union: IRPC supports the union's constructive activities and always listens to the opinions of all eight labor unions.
- Service hire labors: IRPC policy is to enter agreements only with contractors complying with labor rights laws and always care for safety of the workplace for their staff.
- Employees and labors of business partners and contractors: IRPC has put in place measures and ways to ask its business partners and contractors to treat their employees or labors fairly and legally.
- Children and youths: IRPC strictly adheres to children's rights and employment of labor workforce under the UNICEF guideline.
- IRPC manages employees and labors with no segregation due to differences on gender, age, education, religion, and race, and truly respects the privacy of all personnel.
- IRPC fully supports a good quality of life of all members of the society, including children, women, the handicapped, the elderly and the socially disadvantaged.

3. The Environment

IRPC has created a conglomerated value chain pertaining to the environment as follows.

- Environment protection and impact mitigation: IRPC has developed standards of work quality, safety and the environment compatible with those of international companies. Business partners have been asked to comply with these standards. IRPC, in addition, has devoted itself to become a role model for managing the standards of the eco-industry zone (EIZ).
- Eco-forest: IRPC selected specific types of trees fitting the local ecology for planting around the periphery of the industrial area as a buffer zone. All saplings were procured from the local community.

(Details of operations pertaining to the environment are reported in the Sustainability Report and QSHE Report, Page 193 and Page 188)

4. Anti-Corruption Practices

- IRPC has clearly defined its policy, guiding principles and measures on anti-corruption and published in Section 3 of the Corporate Governance Manual, for all personnel to efficiently pursue and to strictly avoid fraudulent act. Promotion of anti-corruption activities among employees and stakeholders has been continuously supported.
- To prevent conflicts of interest, IRPC demands that all its board, executives and employees annually disclose details on items that could involve conflicts of interest with itself under corporate governance.
- To expand the anti-fraud and anti-corruption alliance, IRPC enforced its subsidiaries and invited its business partners and stakeholders to join the CAC.
- With the CAC guideline, IRPC conducts risk assessment on fraud and corruption in every three-year cycle. With efficient and sufficient internal control and internal audit systems, the IRPC Risk Management Committee foresees no serious risk on corruption.
- IRPC became a member of the Collective Action Coalition against Corruption (CAC) under the Anti-Corruption Organization (Thailand) on April 4, 2014, as a show of certification of the existence of policy and guiding principles on anti-fraud required by the CAC. In 2015, IRPC was certified with Level 4 of the Anti-Corruption Progress Indicator from the Securities and Exchange Commission (SEC). The next three-year CAC anti-corruption recertification is set for 2017.
- To become a role model for all employees to strictly perform, IRPC jointly organized anti-corruption

campaigns with the public sector and government agencies, including the following.

- “Active Citizen – People Power on Anti-corruption” by the Anti-Corruption Organization (Thailand), chaired by Gen. Prayuth Chan-ocha, Prime Minister and Head of the National Council for Peace and Order.

- The International Anti-Corruption Day, organized by the Royal Thai Government and the Office of the National Anti-Corruption Commission (NACC) under the “Transparent Thailand” theme, chaired by Gen. Prayuth Chan-ocha, Prime Minister and Head of the National Council for Peace and Order. The event demonstrated excellent and strong collaboration between the government and the private sector to oppose corruption, deemed to be the firm foundation for the development of the nation sustainably and equally, and acceptable by civilized nations.

- IRPC has completed the anti-corruption training for 2,990 employees, equivalent to 57% of the total. A promotional campaign entitled “We Can Stop Corruption” was conducted as printing posters and video clips, and broadcast via the intranet to persuade all employees to join the program. The campaign raised awareness of the detriments of corruption and created anti-corruption awareness, which could become an organizational culture.

- In collaboration with PTT Group, IRPC organized “PTT Group CG Day 2015” on August 25, 2015, under the “Shade of Sharing” theme. The event was intended to extend the anti-corruption joint efforts within PTT Group to all its stakeholders and business partners by creation of anti-corruption awareness, establishing preventive measures, and encouraging all business practices to be transparent.

- The IRPC Internal Audit Office organized the 5th annual Diamond Award event in 2015. The purpose was to give corporate recognition to the business unit with the best cooperation on internal auditing and internal control, and transparency. The 2015 Diamond Award went to the Procurement Department.

- A whistleblowing policy was endorsed and approved by the Board to provide a communication channel for internal and external whistleblowers to notify clues and evidence on illegal and unethical conducts, frauds and malfeasance by employees of any level and stakeholders. The policy also spelled out stages of verification and remedy. The processes are unbiased and transparent, with protection measures of the whistleblowers and involved witnesses.

- Notification and complaint channels

- By email to auditor@irpc.co.th

- By ordinary mail to the Audit Committee Chairman IRPC Public Company Limited
555/2 Energy Complex Building B 6th Floor,
Vibhavadi-Rangsit Road, Chatuchak, Chatuchak,
Bangkok 10900

- By mailbox to P.O. Box 35, Suntowers NDPO (non-delivery post office) Bangkok 10905
or the P.O. Box stated by IRPC for this notification

- The policy includes stages of data and complaint verification. Internal Audit is assigned to manage all work processes and monitor progress, gather all misconduct and unethical activities, and report directly to the Audit Committee and the Board monthly and quarterly.

In 2015, IRPC received 65 complaints from P.O. Box 35, phone calls, ordinary mails and emails. The P.O. Box 35 channel seems to be the most efficient and safe notification practice. Out of these complaints, 60 were unrelated to work governance and unethical conduct, but more to the operations and work behavior of certain employees. The remaining five complaints were possible frauds. The cases were assigned to Internal Audit to verify related data and interface with relevant business units. The reports were made to the President, Management Committee, Audit Committee and the Board, in such sequence. IRPC finally concluded 25 cases from the total within 2015 and is reviewing the remaining 40 cases.

5. Learning and Development

IRPC has been a member of World Economic Forum (WEF) since 2012. The President has joined the Annual Forum every year. With this world forum comes the global idea of business as well as the global agenda that IRPC can adopt in its social development and sustainability. In 2016, one of the significant agenda is “The Forth Industrial Revolution.”

IRPC is determined to be a CG role model for Thai and ASEAN listed companies by consistently elevating its CG level to enhance economic growth and gain the trust and confidence of investors and stakeholders. IRPC is committed to operating its business in a socially responsible manner and being a good citizen that conducts business toward sustainable growth with due regard for social development and environmental conservation, which will lead to genuinely sustainable happiness. Details of significant performance, improvement and development for the year and future operation plans are as mentioned.