

Corporate Governance

The Board of Directors of PTT Global Chemical Public Company Limited adheres to Good Corporate Governance and Business Code of Conduct, entrenching transparency and efficiency in our operations. This adherence brings about trust among shareholders, investors, and all groups of stakeholders. Moreover, it bolsters our competitiveness in the market. As a result, our Board of Directors ascertains a strict compliance with our Corporate Governance Policy.

Corporate Governance Policy

The Board of Directors mandates that the Corporate Governance Policy be part of our Business Operations Policy and has tasked the Corporate Governance Committee with regulating, monitoring, and assessing our organization's corporate governance, as well as maintaining its standards. In addition, the Corporate Governance Committee has to make certain that the implementation of the policy meets universally accepted standards, complements our business and operational strategies, and reflects the world's ever changing social and economic situations. It is the Corporate Governance Committee's duty to align our operations and our subsidiaries' operations with applicable laws and regulations, criteria of listed companies' good corporate governance, and other globally established guidelines. Thanks to the Committee's work, we received much praise and recognition at national, regional, and international levels in 2015. The details of which may be found under Awards and Recognitions in this annual report.

Good Corporate Governance and Business Code of Conduct

To bring about subjective Good Corporate Governance, the Board of Directors has issued a Corporate Governance and Business Code of Conduct Handbook. Its content covers a multitude of best practices and guidelines in accordance with the Corporate Governance Policy, which itself has been crafted from global practices. All levels of employees, including Directors and Executives, must adhere to the Policy. Implementation and effectiveness of the Policy according to the 2015 Good Corporate Governance Plan was monitored,

evaluated, and compared with best practices of other listed companies and sundry international standards through regular Sub-Committee Meetings. Findings and beneficial suggestions are regularly reported to the Board and are disclosed to shareholders in the annual report.

The Corporate Governance Committee reviewed the [Good Corporate Governance and Business Code of Conduct Handbook](#) in 2015 and proposed some changes to it to make it conform better with current domestic and international good corporate governance principles, including ASEAN CG Scorecard and Dow Jones Sustainability Indices. The updated handbook was approved by the Board on September 28th, 2015.

Dissemination of Good Corporate Governance Principles

We have always encouraged our employees to observe good corporate governance principles of **CREATE**, which stands for **C**reation of long-term value, **R**esponsibility, **E**quitable treatment, **A**ccountability, **T**ransparency, and **E**thics. The promotion of CREATE awareness among employees starts as early as orientation and continues to instill through seminars, educational programs, and activities. Moreover, in addition to assessing our own Directors' performance and staff's awareness and application of good corporate governance principles, PTTGC is also evaluated by other relevant agencies such as the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), the Institute of Director (IOD), and the Thai Investors Association (TIA). These assessments and evaluations gauge the efficiency of good corporate governance implementation and serve to uplift the PTTGC's standards to the international level.

Business Code of Conduct of PTT Global Chemical Group

The Board of Directors and Executives act as role models in applying our Business Code of Conduct. They also promote the culture of good corporate governance, take responsibility for stakeholders, and encourage business operations to take into account human rights, consumer rights, and fair use of labor. In addition, it is their task to provide a mechanism for checking, monitoring, evaluating, and reviewing our Business Code of Conduct for sustainable and complete implementation of the Code among all employees.

The Business Code of Conduct Handbook has been distributed to all Directors, Executives, and staff members of PTTGC Group to acknowledge, understand and sign to commit themselves to adhere to the Code when performing their duties. Moreover, this handbook has been distributed to the joint-venture companies, related agencies, stakeholders, and suppliers; it is also available on www.pttgcgroup.com under [Corporate Governance](#) for the convenience of shareholders, investors, and the public.

Corporate Compliance

We are committed to concretely expressing our intention to develop our practices and operations in accordance with domestic and foreign laws and regulations related to our business through a number of channels, e.g., Corporate Governance and Corporate Secretary, Internal Audit, Corporate Risk Management and Internal Control System, and Corporate Compliance. These channels also encourage compliance with PTTGC's other policies, including the [Corporate Compliance Policy](#) that we have disseminated to all relevant parties-namely Directors, Executives, and staff members-for their acknowledgement and to act accordingly.

In this past year, we organized Corporate Compliance Overview for the Board of Directors for it has been the Board's will to perform its role and partake in assuring that PTTGC's operations comply with applicable laws and other internationally established regulations. We also organized a number of activities and projects under the Corporate Compliance Program continuously, for their adherence and compliance and regard as PTTGC Group's culture as well as conforming to PTTGC Group's way of conduct.

In summary, we continued to carry out tasks from the 2014 Corporate Compliance Program in 2015, namely Standards and Policy, Communication & Dissemination and Compliance Monitoring, Auditing and Reporting as below;

- ❏ For the second consecutive year, we held a mandatory compliance session called Corporate Compliance Overview for Division to educate division managers on the subject of compliance. Certificates were given to those managers who passed post-test. In addition, Mandatory Corporate Compliance for US Petrochemical Team was also arranged for Executives and staff members assigned to this United States based project. This lecture session promoted better understanding of the Company's Corporate Compliance Policy.
- ❏ Furthermore, we held a session on Modern ISI in a Modern World with All Intelligent & Compliance Program for Executives and staff members under Innovation. This session was a direct result of a risk assessment performed in collaboration between Corporate Compliance and the Innovation Department. Its goal was to educate our researchers and to bolster their confidence. In addition to this, we have placed a great deal of emphasis on other legal concerned risks inside and outside Thailand such as misconduct against human rights. These risks could have effect on PTTGC Group's operation. As a result, we have provided corporate compliance training on a variety of laws and regulations related topics. This past year, the subject was Corporate Compliance Series: Human Rights, Product Liability Law & Anti-Money Laundering.
- ❏ We supervised our subsidiaries and affiliates to formulate their own Corporate Compliance Policy and Business Code of Conduct in accordance with ours. In 2015, we focused our attention on two of our foreign companies, namely Vencorex Holding located in France and Emery Oleochemicals (M) Sdn. Bhd. located in Malaysia. These companies created their own policy based on our Compliance Program and Compliance Framework for Subsidiaries. The remaining companies in our Group will be handled in the upcoming years.
- ❏ In addition, we have put compliance monitoring and auditing in place using the Compliance Health Check (assessment) method for division managers and high-ranking executives on annual basis to be able to record and analyze compliance assessment result. Also, we have put in place compliance risk assessment, non-compliance detecting system, and compliance monitoring system, i.e. we improved the whistleblower system by including additional requirement to periodically report to the Board of Directors.

Compliance with International Standard of Good Corporate Governance Principles

PTTGC adheres to the Stock Exchange of Thailand's Good Corporate Governance Principles for Listed Companies, as well as the ASEAN Scorecard, and Dow Jones Sustainability Indices (DJSI). We have continuously improved our conduct as summarized below:

Shareholder Rights

PTTGC values and respects the rights of every shareholder, regardless of the proportion of shares they hold, their nationality, or whether they are an institutional or individual investor. In 2015 we carried out the following tasks with respect to shareholder rights:

1. We provided important and pertinent information in regard to our operations that is clear and up to date to shareholders. Regardless of whether it is required by law, if it deemed necessary, we will forthwith disclose those information on our website and via the Stock Exchange of Thailand's reporting system.
2. We held the 2015 Annual General Meeting of Shareholders on April 1st, 2015, at 2:00 p.m. at Bangkok Convention Center, 5th floor, CentralPlaza Ladprao, 1695 Phahon Yothin Rd., Chatuchak, Chatuchak, Bangkok. We provided a complete range of facilities for participating shareholders; these are summarized below:

Prior to the Meeting

- 1) We provided opportunities for minority shareholders, any single shareholder or a group of shareholders holding at least 0.5% of all shares with eligible voting rights, to propose agenda items and nominate

qualified candidates to be elected as Director prior to the meeting during the period from September 16th through December 31st, 2015. Nomination criteria and procedures were announced via the Stock Exchange of Thailand's reporting system and on our website, www.pttgcgroup.com, under Corporate Governance / Shareholders' Information / Shareholders' Meeting. In this manner, we demonstrated our respect for shareholder rights and exhibited equitable treatment to all of them. The Nomination and Remuneration Committee will consider qualified candidates to nominate per established criteria, while the Corporate Governance Committee reviews and analyzes proposed agenda items for their benefits and appropriateness as agenda items, the Corporate Governance Committee will further submit them to the Board of Directors to ascertain whether they should be included in the meeting agenda. The Board is obliged to inform the Annual General Meeting of Shareholders of its decisions and reasons regarding the proposed agenda items; however, no shareholders proposed any agenda items or nominated any candidate to be elected as Director in 2015.

- 2) In 2015 the Corporate Governance Committee reconsidered the number of shares required to propose agenda items and nominate candidates to be elected as Director prior to the meeting. It proposed to the Board that the number of shares should be lowered from 0.5% to 0.1%. This new regulation will take effect from the 2016 Annual General Meeting of Shareholders onwards.
- 3) To furnish all shareholders adequate and clear information, as well as to provide them with sufficient time to study it, PTTGC made announcement to



the shareholders through the Stock Exchange of Thailand upon our Board of Directors' meeting held on February 16th, 2015, resolved to convene the 2015 Annual General Meeting of Shareholders on April 1st, 2015. Additionally, we notified shareholders of the record date, the date the registration book is closed to determine Shareholders' names, and dividend payment date being March 2nd, 2015 as announced on our website.

- 4) We published the invitation to the 2015 Annual General Meeting of Shareholders in Thai and English on our website for a period of more than 30 days prior to the meeting. Enclosed with the invitation were meeting documents, procedure for registration and assignment of proxy, and necessary documents required to attend the meeting as well as documents required to assign proxy which are convenient and simple, a map of the location of the meeting, and phone numbers for further information. Meeting agenda, objectives and rationale, opinions of the Board of each agenda, and other necessary information were enclosed as well. The invitation was mailed to shareholders 21 days prior to the meeting.
- 5) For the shareholders who could not attend the meeting themselves, they were allowed to assign an Independent Director who had no stake in the agenda, or any other individual, as their proxy. They could choose to use any of the proxy forms approved by the Ministry of Commerce, which was enclosed with the invitation, although we recommended the form that allowed them to direct their votes. Shareholders could download these proxy forms, available in Thai and English, on our website for their convenience. Additionally, PTTGC allowed shareholders to attend the meeting even after Chairman of the meeting had officially commenced the meeting. They could also vote on any agenda currently being discussed. These shareholders constituted the quorum from the moment they joined the meeting, the number of which was recorded in the minutes of the meeting.

At the Meeting

- 1) PTTGC held the 2015 Annual General Meeting of Shareholders on April 1st, 2015, from 2 p.m. onwards, at Bangkok Convention Center, 5th floor, Central Plaza Ladprao, Bangkok. This location was chosen for its easily accessible location. The meeting room was able to accommodate a large number of attendees, allowing all participants to attend, ask questions, and express their opinions all in one place, rendering the meeting smooth and efficient. PTTGC also put on display an exhibition about our business and performance in front of the meeting room; staff members were available to give explanations and answer questions. Additionally, PTTGC also prepared food and drink for all attendees.
- 2) The meeting procedures were determined in compliance with legal requirements. Much thought went into the convenience, rights, and equality of all shareholders. The barcode registration system made the process quicker and more convenient. In addition, we made sure to provide a sufficient number of staff members and adequate technology to verify shareholders' documents in advance. Registration began two hours prior to the meeting.
- 3) Out of 15 Directors, 14 attended the 2015 Annual General Meeting of Shareholders, including the Chairman of the Board of Directors and all Chairmen of all Sub-Committees, as well as high-ranking Executives, auditors, legal advisors, Thai Investors Association volunteers to protect shareholders' rights, lawyers, and shareholders who volunteered to witness the counting of votes. The Chairman of the Board chaired the meeting, introduced attendees, and announced the number of attendees (6,746 in total) and the number of shares eligible for voting at the 2015 Annual General Meeting of Shareholders. Voting and vote counting procedures were announced prior to the commencement of the meeting. The Chairman proceeded with all the agenda items in order; no other agenda were proposed than those already specified in the invitation. Voting cards-for, against, and abstain-were provided for every agenda.

The Chairman allocated sufficient time for every shareholder to express their opinions and ask questions regarding the agenda and PTTGC's performance. In addition, he assigned Sub-Committee Chairmen, as well as the Chief Executive Officer and related Executives to answer all the questions. Questions asked and opinions expressed were recorded thoroughly in the minutes of the meeting.

- 4) PTTGC shareholders have the right to elect and appoint new Directors to replace those who retired by rotation as per PTTGC's Articles of Association. They also have the right to consider and approve the Board's and Sub-Committees' remuneration. Sufficient information regarding each candidates and the remuneration were provided for shareholders' consideration. On top of the aforementioned, PTTGC also allows free communication among shareholders.

After the Meeting

- 1) PTTGC disclosed the resolutions passed during its 2015 Annual General Meeting of Shareholders through the Stock Exchange of Thailand's press release system on the next business day following the meeting. The disclosed resolutions included the complete set of for, against, and abstain votes of each agenda item. We also put together meeting minutes, specifying the names of Directors and Executives attending the meeting, as well as other related attendees, important explanations, Q and A list, and a summary of opinions expressed. The minutes were made in both Thai and English and

submitted to the Stock Exchange of Thailand and other related agencies within 14 days following the meeting. They were also made available on www.pttgcgroup.com for shareholders' consideration.

In 2015, PTTGC received a perfect score of 100, or Outstanding, for the fourth consecutive year (since the merger) from the Annual General Meeting (AGM) Assessment conducted by the Thai Investors Association thanks to its incessant effort in improving its shareholder meetings.

Equitable Treatment of Shareholders

PTTGC is obligated to protect the rights and interests of all shareholders on a fairly basis, whether majority, minority, institutional, individual, Thai, or foreign. It is PTTGC's policy to treat all shareholders equally at shareholder meetings and in voting. Shareholders are also entitled to information on the operating performance and management policies in a regular and timely. PTTGC has developed methods to assure everyone of equal treatment, especially for minority shareholders.

1. PTTGC values all shareholders regardless of their gender, age, race, nationality, religion, belief, political stance, or handicap status. PTTGC regulates guidelines on Corporate Governance, equally and fairly protects the fundamental rights of shareholders, which builds confidence among investors, allows for efficient operations, and makes room for sustainable growth that continuously gives shareholders suitable return on investment. Furthermore, PTTGC ensures fair treatment towards stakeholders, using accepted modern monitoring tools.



2. **PTTGC engages with all of its shareholders.** Every minority shareholder may compose an email to the Chairman of the Corporate Governance Committee (Independent Director) or the Corporate Secretary at cg@pttgcgroup.com to give suggestions, express opinions, or file a complaint. The Corporate Governance Committee gives every email their consideration and sees to a suitable treatment. For instance, upon receiving a suggestion deemed beneficial to operations, the Corporate Governance Committee presents it to the Board of Directors at a Board Meeting, and the Board considers whether to include it on the agenda of the upcoming General Meeting of Shareholders. As for institutional investors, they may request for information or express their opinions to our Investor Relations via ir@pttgcgroup.com. In the event shareholders would like to assign a proxy to attend a meeting and vote on their behalf, they will find a proxy form that allows them to specify their for, against, and abstain votes towards each agenda item included in the meeting invitation, which is in both Thai and English. Names of Independent Directors, who are proxy options, and their biography details are also appended to the invitation for shareholders' consideration, along with a list of required documents and procedure for assigning proxy.

3. **PTTGC advocates good relations with its shareholders:** In 2015 we organized a variety of activities that not only beneficial to society and the environment but also fostered good relations with our shareholders. The right to partake in these activities was equally granted to all shareholders, regardless of their majority or minority status. One notable activity was Company Visit 2015, in which 500 shareholders visited PTTGC's plants in Rayong during November 24th-25th, 2015, met with Executives, and learned about their operations. During this trip, they also did some social work, including releasing fish and turtles back into the ocean and cleaning turtles' shells and tanks at the Sea Turtle

Conservation Center of the Royal Thai Navy in Sattahip, Chon Buri. PTTGC had another chance to meet its shareholders at Set in the City 2015, organized by PTT Group under the concept of relentless technological advancement to accommodate business sectors and investors to have access to information and connect at a very fast pace. We organize these activities with our shareholders in mind and ready to disclose information transparently.

Stakeholders' Roles




In recognition of stakeholders' roles in augmenting our competitiveness and in increasing our profits and yielding long-term results, we have placed a great deal of importance on all groups of stakeholders-namely, shareholders, customers, suppliers, business competitors, creditors, the public sector, employees, society, communities, and the environment. We have compiled our policies and principles into written documents; these have been made available on our website since 2011. We have also laid down guidelines that cover the protection of stakeholders' rights, as well as any possible effects. In addition, we have provided several channels of communication to our shareholders, where they may send in opinions and suggestions that they believe will benefit PTTGC and create value added. Below is a summary of our policies and guidelines for stakeholders, as well as how they were implemented in 2015:

1. **Shareholders:** PTTGC encourages its shareholders to exercise their fundamental rights, which include the right to participate in the annual general meeting of shareholders, the right to vote, the right to propose an agenda item, and the right to nominate a candidate to be elected as Director. Moreover, PTTGC is committed to the utmost satisfaction of shareholders in regard to sustainable growth, PTTGC's value added, and steady suitable return. It also warrants that its operations comply with principles of good corporate governance. In addition to affording shareholders the rights



aforementioned, PTTGC arranges Company Visit program every year. Furthermore, shareholders may reach out to the Company via www.pttgcgroup.com or by writing an email to ir@pttgcgroup.com or cg@pttgcgroup.com; this information is disclosed under Shareholder Rights and Equitable Treatment toward Shareholders.

2. **Customers:** PTTGC is committed to public and customers to bring them utmost satisfaction and ensure trust for its reasonable priced and quality products and services and to continuously improve our standards. It is also committed to maintaining a good and sustainable relationship with customers. To become customers' best choice, we offers products and services that are innovative as it is PTTGC's obligation to maintain and improve quality of our products and services. To build trust and to yield the utmost satisfaction, we ensure our customers and public earn high-quality products and services for reasonable price through a fair, appropriate, transparent, and accountable management. We take responsibility towards our customers to whom we purchase and sold feedstock and products through a number of activities. Notable ones in 2015 include the following:

-  **Striving for customer-centric marketing excellence:** We strived for customer-centric marketing excellence in the following five categories: building values for customers, new product development, pricing strategy, distribution channel strategy, and human resource development.
-  **Customer satisfaction survey:** In 2015 we made adjustments to our customer satisfaction survey, aligning it with universal standards and rendering it more comparable to others' in the same industry. The improved survey now gauges six aspects: product quality, service quality of sales representatives and technical support, process quality, value and price, image, and business relationship. Its result reflects our success in fostering a good relationship with our customers, as well as our ability to meet their demands.
-  **Fostering a good relationship with customers:** We met with our customers regularly to hear their opinions and exchange information about the industry that could benefits their businesses. We also invited customers to the plants to experience our production and quality control processes first-hand. Moreover, we invited them to dinner parties, during which we expressed our gratitude towards them.

These dinners, in extension, also served to build a network of customers for us. We provided these customers with [a system for receiving and managing complaints](#) about our products and services. The channels for this included the website, email, and telephone. In addition, complaints could also be filed through our customer relationship management system (CRM). We put guidelines in place to mitigate and prevent future problems. We also monitored complaints regularly, as well as evaluated how they were dealt with. The results of the evaluation will be used to improve future business plans.

3. **Suppliers:** We take into consideration equality and honesty in conducting business. To ensure mutual benefits, we strictly adhere to applicable laws, agreement, and business code of conduct. We select and treat our suppliers fairly in accordance with our business code of conduct. We have put procurement regulations in place to assure that the process flows efficiently and smoothly with good and accountable control and is appropriate for the business transaction. Our practices demonstrate our responsibility towards our supplier, harmonizing mutual benefits to the both parties equally and transparently. We recognize our suppliers as our equals and strive for honesty in conducting business. To ensure mutual benefits, PTTGC strictly adheres to applicable laws, agreement, and business code of conduct through, development of products and services, warranty, full disclosure of information on products and services, complaint management system, customer satisfaction survey, organizing activities that promote good relationship with suppliers, and implementing business code of conduct for procurement team.

PTTGC [refrains from accepting, or giving, fraudulent benefits from or to suppliers](#). The Corporate Governance and Business Code of Conduct Handbook and the Corporate Compliance Policy mandate that all employees must comply with the anti-corruption and anti-bribery law, whether in dealing with government officials or the private sector, both in Thailand and abroad. [Any action that violates the aforementioned law is illegal and does not comply with the Corporate Governance Policy](#); all employees are to resist against and refrain from such an unlawful act. It is everyone's duty to perform their role with transparency for the sole benefit of PTTGC or our subsidiaries and affiliates, which prevents

conflicts of interest. Additionally, all employees are to refrain from encouraging others to unlawfully perform or refrain from performing their duties legally. PTTGC sale and purchase contracts are executed in written form and PTTGC strictly abides by them. Additionally, PTTGC has regular meetings with suppliers to mutually improve work process and to find a solution in the event that PTTGC may be unable to perform its contractual obligations. PTTGC is dedicated to resolve issues **when we cannot follow through with the contract** through meetings, where we determine the root cause and solution. The solution must be satisfactorily to both parties. PTTGC sees to it that the problem is thoroughly solved and find ways to prevent it from reoccurring. Examples are listed below.

- ❏ Procurement is fair, transparent, and efficient, in accordance with partner selection criteria. The Procurement Committee is in charge of the selection process, and the Inspection Committee verifies whether deliverables are delivered and meet conditions. In each procurement, these two committees are to be made up of separate group of people.
- ❏ The Supplier Relationship Management (SRM) team organizes annual activities to promote a good relationship between PTTGC and suppliers. In November of 2015, PTTGC, together with suppliers, held Supplier Conference 2015 to demonstrate our dedication to fostering a sustainable relationship with suppliers. The concept of the event was Inspiring Sustainability to convey our policy of sustainable business with responsibility towards the environment, society, and communities, as well as our anti-corruption stance. The other objective of this event was to foster a good relationship and understanding between PTTGC and suppliers, ensuring efficiency and sustainable mutual growth.
- ❏ PTTGC has procedures and practices in selecting suppliers and contractors as well as anti-corruption measures. We also encourage all employees to follow these applicable laws and regulations.

4. **Business Competitors:** Our treatment towards competitors is aligned with international practices under the framework of competition laws. We also adhere to principles of fair competition. At PTTGC, we operate ethically and transparently. We compete fairly with our business competitors under the framework of good competition. We do not seek trade secrets of competitors through inappropriate or dishonest means. We do not defame competitors. PTTGC's policy on treatment towards competitors is aligned with international practices under the framework of competition laws and adheres to principles of fair competition. PTTGC held a lecture titled Corporate Compliance Series: Human Rights, Thai Product Liability Law, Anti-Money Laundering on November 2nd, 2015 and Anti-Dumping and Safeguarding on November 11th, 2015 for Executives and staff members according to the Individual Development Program (IDP).
5. **Creditors:** We adhere to the terms and conditions, with fairness, and takes responsibility for our creditors, including making due payments. We commit to equality and our responsibility towards our creditors. We strictly adhere to good practices, our contractual and financial obligations, especially, guarantee or security interest provisions, capital management, and debt repayment. We refrain from employing dishonest practices to conceal information or facts that may cause damage to creditors. In the event that PTTGC cannot perform any of its contractual obligations, we promptly notify our creditors in advance and work with them to find a solution.

All PTTGC's debentures have been issued in compliance with legal requirements and announcements of the Securities and Exchange Commission. PTTGC strictly follows policies, objectives, and resolutions of shareholder meetings. We fully disclose information to stakeholders and have measures to mitigate damage that may occur to stakeholders caused by our failure to follow through with regulations regarding debenture issuer rights and duties or conditions of loan



agreement. The following are measures that have been put in place:

1. PTTGC strictly complies with terms and conditions imposed by creditors in terms of payment and maintain good standing of collateral.
2. PTTGC regularly discloses financial information to creditors.
3. PTTGC duly makes payments.
4. PTTGC refrains from fraud, bribery, and trading benefits for favour.

Furthermore, we focus on disclosure of information to stakeholders, emphasizing accuracy, completeness, speed, and transparency. The disclosed information includes both financial and non-financial matters. PTTGC has no lawsuit on default payment with any of our creditors.

6. **The Public Sector:** We believe that the Public Sector, who is one of the stakeholders, plays a key role in our business. We have devised best practices for the Public Sector in countries we have invested in to avoid inappropriate transactions. We procure feedstock and sell our products, whether in Thailand or other countries our investment located, under Good Corporate Governance Principles and Business Code of Conduct. We value stability and strict compliance with local laws and regulations. We take all stakeholders into consideration. As such we have established our stance on working and exchanging information with relevant governmental agencies both in Thailand and abroad. Every action is based on transparency and honesty, which prevents PTTGC and the nation from gaining bad reputations. We collaborate with governmental agencies on academic matters and provide support for a number of activities that foster good relationship and prove advantageous for society and communities. Additionally, we have made use of the online permit and privilege license system (P & PL Online) to monitor our performance. This also systematically allows people in the field and Executives to keep up with the progress.
7. **Employees:** PTTGC is committed to becoming an organization of learning. We promote the PTTGC culture and encourage teamwork. We prioritize safety and maintain a suitable work environment. We favour development, as well as knowledge and expertise transfer. We give fair compensation

to employees. We open to suggestions from all levels of employees without discrimination. We also promote and instill an organizational culture with a realization that every employee is vital to the success and sustainable growth of the Group. PTTGC adheres to Good Corporate Governance Principles and respects human rights as outlined by the United Nations. We have devised plans for human resource management that is in line with our operations. We have restructured our Science and Innovation Department to support our business unit and to better connect with foreign businesses. We have enlarged our business context in terms of size and diversity. We have prioritized recruiting personnel into groups vital to the success of our organizational strategies. We are prepared to recruit new talents replace retiring talents, while keeping in mind our expansion to foreign markets. There is a plan to expand our candidate base and to recruit and hire domestically and internationally through social media. There is also a plan to build a new network abroad that will help PTTGC marking recognition in the international labour market, which will extend our foreign database. PTTGC promotes happiness in work place, with good quality of living, safety, and occupational health. PTTGC has been dedicated to improving and enhancing our organizational and human resource management as it values human resource as a foundation to a robust and sustainable growth. More details can be found under People Management and Development Policy.

8. **Society, Communities, and the Environment:** PTTGC operates with a great deal of responsibility toward society, communities, and the environment, whether it be in terms of safety, quality of living, conservation of natural resources, or efficient energy consumption. As we value the quality of living of communities around our plants, as well as the entire country, we share a portion of our profits with these communities. In regard to minimizing environmental effects, we start from pre-construction stages, technologies used, production process, and waste management. We also research and develop innovations that promote efficient energy consumption. We conduct our business according to the Code of Conduct. Our mission is to integrate social responsibility and environmental concerns into our operations, which will result in sustainability. PTTGC

is committed to improving the quality of life for people in society, which is the foundation for organizational development. We are also committed to environmental conservation, allowing society, communities, and PTTGC to grow together. The details can be found in the 2015 Sustainable Development Report. This integrated report serves as a framework for global reporting that covers economic, social, environmental, and other aspects that significantly impact PTTGC, on top of the financial report.

Communities and society: Throughout 2015 PTTGC paid much attention to guidelines of UN Global Compact and UNICEF. We made adjustments to render them more suitable to Thailand and our own CSR policy. Directors, Executives and staff members participated in a number of volunteering activities for the benefits of society, including communities around PTTGC's plants, schools, children, women, the elderly, the underprivileged, the handicapped, and many other groups. Further information is disclosed in the 2015 Sustainability Report per DJSI's guidelines.

The Environment: Because PTTGC strives for excellence in stability, safety, occupational health, the environment, and taking responsibility towards surrounding communities,

we laid down the **Quality, Safety, Occupational Health, Environment, and Business Continuity (QSHEB) Policy**. The system and guidelines, put in place as a result of this policy, strictly comply with environmental standards, regulations, and laws. ISO 14001 environmental management system serves as the preliminary standard in our operations; it is implemented alongside other universal best practices. PTTGC's proactive environmental management complements our long-term operation plans. Much importance is placed on minimizing environmental impact by means of control and prevention from the design stage of a project. In addition, PTTGC conducts an environmental impact assessment (EIA) covering every dimension for each project and lays down measures to prevent and mitigate impact from operations both in the construction phase and the production phase. It continuously and adequately monitors environmental quality and present the results to governmental agencies for approval before commencing its projects. PTTGC strictly adheres to comply with prevention and mitigation measures, as well as reports the result of its compliance to these measures to governmental agencies continuously and regularly. The details can be found in Safety, Occupational Health, and Environmental Management.



Anti-Corruption Campaign

PTTGC operates with a great deal of emphasis on Good Corporate Governance and Business Code of Conduct; therefore, our business is transparent and accountable. Processes are put in place to control, monitor, reduce, and prevent against the risk of fraud and corruption within the organization, whether it be direct or indirect. On top of the Corporate Governance Policy, we also laid down in written form the Anti-Corruption, and Anti-Bribery Policy. Furthermore, PTTGC is a member of the United Nations Global Compact (UNGC), an international anti-corruption organization and on a national level, the Collective Action Coalition (CAC) against Corruption. The membership of the latter was approved by the Thai Institute of Directors (IOD) on July 4th, 2014. In addition, THAIPTAT Institute gave PTTGC Level 5 in 2015 on its sustainable development evaluation in regard to anti-corruption practices. This level means that our anti-corruption policy also extends to our business partners.

Our actions in the past year that illustrate our dedication to the fight against corruption and our readiness for the recertification conducted by the IOD every three years as well as the annual assessment mandated by the Audit Committee are summarized below:

- PTTGC conducted a fraud risk assessment (FRA) to analyze and assess risk of the likelihood of fraud, as well as the possible effects of fraud in processes

and procedures within the organization. The tools employed for conducting risk assessment were based on the Enterprise Risk Management (ERM) of the Association of Certified Fraud Examiners (ACFE). The analysis was then used to devise measures for internal control and internal audit of fraud and corruption. The result of this assessment is utilized for monitoring, controlling, and reducing fraud opportunity within the organization.

- PTTGC's relevant departments reviewed the existing anti-corruption measures and assessment on our processes and procedures for completeness and being up-to-date since these measures and assessment needed to cope with the ever-changing events and risks. The result of the review was reported to the Corporate Governance Committee, the Audit Committee, and the Board of Directors, respectively.
- We improved our whistleblower system by adding more channels for filing complaints. We also put a system in place to manage complaints more efficiently and in line with criteria of DJSI and CAC.
- We promoted, communicated, created awareness and understanding on the best practices to employees to recognize the importance of the fight against corruption. Activities under PTTGC Active Citizen scheme were organized for Executives and staff members. One of the activities includes the lecture session by an external expert. The lecture described the concept, meaning and different forms of corruption. It also sought to instill moral conscious and ethics, according to the CG principles and Anti-Corruption Policy. Included were cases study; roles and responsibilities of Executives and



staff members in the fight against corruption; compliance with laws, regulations, and policies; culture and tradition; conflicts of interest; and bribery. In addition, PTTGC put together exhibitions and recreational activities that communicated to employees about our anti-corruption stance, Code of Conduct, Corporate Compliance Policy, as well as Anti-Corruption and Whistleblower Policies.

- During Supplier Conference 2015, we communicated to our suppliers our anti-corruption stance, as well as our policy on refraining from accepting gifts and other special benefits in hope that similar guidelines and practices be adopted.
- We lent our support to external agencies' anti-corruption work. For instance, we declared our intention to fight corruption with the governmental and other related agencies on the Anti-Corruption Day. We also supported the establishment of the Anti-Corruption Foundation.

• Whistleblower Channels

We value complaints, suggestions, and opinions submitted to us from all stakeholders through the established whistleblower channels. These channels are provided through our various policies, such as, Competition Law Policy; Human Rights Policy; Intellectual Property Protection Policy; Anti-Money Laundering Policy, Anti-Corruption and Anti-Bribery Policy; and other policies as outlined in our core, Corporate Compliance Policy, and Code of Conduct. We have disclosed our Whistleblower Policy and channels on our website. We accept complaints from both internal and external sources. Whistleblowers who submit these complaints will be protected under the non-retaliation principle. Internal Audit and Corporate Compliance are jointly in charge of these complaints.

In the past year, we have made improvements to our whistleblower system. Related departments-namely Corporate Compliance, Human Resources, Legal Department, Internal Audit, and Sustainability Management-performed a dry run on our whistleblower system to get ready for the system and to gauge whether it requires improvement. Additionally, in collaboration with other related parties; Corporate Compliance Department, as a whistleblower administration center, updated the criteria and made complaints management more efficiently manageable.

• Disclosure and Transparency

It is PTTGC's policy to disclose data and information on our financial matters, general businesses, and operating performance which are accurate, complete, adequate, credible, direct, timely, thorough, and equally distributed to all relevant parties. These data and information must show the status of PTTGC's operations and its true financial standing. In extension, this disclosure reveals our future directions. It allows shareholders and stakeholders convenient and speedy access to data and information in Thai and English, through the SET Portal and our www.pttgcgroup.com website. PTTGC adheres to the laws, rules, and regulations of the SEC, the SET, and other governmental agencies. We also monitor changes to these laws, rules, and regulations to ensure compliance. Such attention to detail serves as a guarantor to shareholders that our business is transparent and straightforward. [Investor Relations \(IR\)](#), [Corporate Governance and Corporate Secretary](#) are in charge of providing data and information and answering questions.

In 2015, we disclosed in full our financial and non-financial information. The disclosure of our financial statement was reviewed and audited by certified auditors to ascertain it being accurate and in accordance with established standards. The financial statement was also approved for disclosure by the Audit Committee and the Board of Directors prior to being made available to the public. The Board also made a report of the Board of Director's Accountability to Financial Report, which is disclosed with the independent auditors' report. This also includes connected transactions, management's discussion and analysis, risk management analysis, and good corporate governance. These information were disclosed in the annual report as well as in Form 56-1 as below;

1. PTTGC disclosed our operational structure, as well as that of the Group, subsidiaries, and joint-ventures. The information disclosed included the shareholder structure of majority shareholders, the number of shares held, and the portion of shares held by institutional investors of more than 5% with over 40% free float shares (51.07%).

2. Directors and Executives must report their interest and those of their related persons if such interests concern the management of PTTGC or its subsidiaries. This reporting duty applies upon each of them taking up the position for the first time and when there is a change to the interests. Furthermore, they must report their securities holding to the Board of Director at the Board Meeting on a monthly basis and disclosed in the annual report on a yearly basis.
3. To prevent conflicts of interest, PTTGC's policy mandates that Director and Executives who may have a conflict of interest in any agenda item in the meeting are not to attend the meeting during the discussion of that particular item. In the event that they are obliged to attend such agenda item to provide information, they are to refrain from voting or giving opinion. The Corporate Secretary or the Secretary of each Sub-Committee is to record the conflict situation of the Directors or Executives in the meeting minutes. Another best practice in line with this is the policy that requires all employees to report any possible conflict of interest pertaining to PTTGC Group in the designated conflict of interest disclosure form. This report is required upon taking up the position, once at the end of every year, and when a conflict of interest arises. This is to show the intention to perform their role with transparency. And to prevent conflicts of interest, PTTGC provides an online conflict of interest disclosure channel to reduce the amount of paper used and to enhance the convenience of collecting such information and searching purpose. This has enabled the Corporate Secretary to compile and propose best practices to their supervisor and to those employees submitting the form.
4. We disclosed our Director nomination procedure, Director performance evaluation procedure, and their performance evaluation results for the year 2014.
5. We disclosed our policy on the remuneration of high-ranking Executives and Director, including the types and amounts of remuneration each Director receives for their position on the Board and in each Sub-Committee. We also disclosed the performance of each Sub-Committee, including each Sub-Committee Director's Meeting attendance and remuneration of each of them individually.

6. We disclose information on important investment projects and their effects through several channels. Shareholders, investors, the media, and stakeholders have equal access to this accurate, thorough and transparent information. Stakeholders and the general public may reach PTTGC to give suggestions through PTTGC's website on the Contact Form page, which is available in Thai and English. They may choose from a selection of topics, i.e. public relations, corporate governance, products and services, investor relations, and CSR.

PTTGC discloses important information in [Thai and English](#) through the following channels:

- 🌐 SET Community Portal of the Stock Exchange of Thailand
- 🌐 Our own regularly updated website, www.pttgcgroup.com, where a clear and complete contact information of Directors and relevant departments may also be found
- 🌐 Other channels such as Better Living magazine, newspapers, press releases, email, exhibitions, and other activities for the benefits of other stakeholders

Insider Information

To emphasize the importance of disclosure and transparency, the Board of Directors laid down a policy regarding this subject matter in the Corporate Governance and Business Code of Conduct Handbook, which is available on PTTGC's website. The handbook serves to inform shareholders about the issue and remind Directors, Executives, and staff members to adhere to the policy. Listed below is a summary of important principles.

- (1) Directors and Executives, from Senior and Executive Vice President to the top, have duty to report on their securities holding in PTTGC including changes thereof as per SEC's specification. This report must be submitted to PTTGC within three business days from the date the securities' holding has changed. They have to sign their name in acknowledgement of this policy upon taking office.

Additionally, as the Board of Directors monitors the implementation of the Business Code of Conduct regarding internal use of information, the said person must submit a copy of the report to the Corporate Secretary, who will report it at the Board meeting or when the change occurs, as well as disclose the accumulative information as recorded at the beginning until the end of the year in the annual report.

- (2) PTTGC sends written notifications to Directors and Executives to notify them that they are prohibited from trading securities 30 days prior to the disclosure of the quarterly and annual financial statements or other information that may affect the price of PTTGC's stock. They are also prohibited from trading PTTGC's securities within 24 hours from the disclosure.
- (3) PTTGC laid down the Confidentiality of Information Policy, which requires all Executives and staff members to safeguard PTTGC's information, business partners' information, and personal information of related parties. They are also to safeguard confidential information or information that is yet to be in public domain for the benefit of the business and to maintain legal practices of confidentiality of information according to Thai and international laws.
- (4) We regularly keep our Director, Executives, and Employees up to date on regulations and policies regarding insider information. On top of ensuring compliance, regular updates also prevent employees from taking advantage of insider information for personal gain or for other people's. PTTGC has outlined clear punitive disciplines for cases of violation. Also, it is supervisors' duty to ensure compliance of their supervisees. There has been no report of violation in this past year.

Investor Relations

PTTGC is well aware that its financial and non-financial information affect the decision making process of investors and stakeholders. Management has placed much importance on disclosure of information that is accurate, credible, regular, and on time. Information disclosure follows the regulations stipulated by the SEC and the SET. [Investor Relations](#)

was founded to serve as the center of communication and information disclosure for shareholders, institutional and individual investors, analysts, and other related agencies. PTTGC controls the quality of financial reporting, including important information that may affect the price of PTTGC's stock, such as financial statements, operating performance, quarterly and annual management discussion and analyses (MD&A) that show current and future trends of PTTGC, and other information disclosed via the SET's portal system. This allows investors in Thailand and abroad to have regular, equal exposure to full and accurate information. PTTGC's information disclosure to investors, shareholders, and other stakeholders is summarized below:

Investor Meetings

Investor Meetings Abroad	8 times
Domestic Investor Meetings	7 times
Fixed Income Roadshow	2 times
SET Opportunity Day	4 times
Meetings with Financial Analysts	4 times
Meetings at the Company	75 times
Teleconference	17 times

Information Disclosure

Disclosure via SET's Channels and PTTGC's Website	60 times
Newsletter to Investors (The Better Living)	4 issues

Activities

Exhibitions, e.g. SET in the City	1 time
Bondholder Site Visit	1 time
Analysts/Fund Site Visit	2 times
Shareholders Site Visit	2 times
Relationship-Fostering Activities with Analysts	1 time
Basic Training with Analysts	2 times

In 2015, the President and Chief Executive Officer and Executives regularly met with individual and institutional investors and analysts throughout the entire year. They were presented with operating performance, financial statements, financial statuses, management discussion and analysis (MD&A), and future trends. They were afforded information

in Thai and English and accommodated in soliciting for information that is complete, speedy, and transparent directly through phone contact with Investor Relations, on the www.pttgcgroup.com website, and via ir@pttgcgroup.com email address. These are the channels to submit questions about PTTGC operations. Detail on each Investor Relations officer is also available for convenience.

Furthermore, Investor Relations put in place [Investor Relations Code of Conduct](#) that outlines the role and best practices that apply to investor relations officer to treat all shareholders equally.

Investors or those interested may reach out to PTTGC via the following four channels:

- 1) Mail : PTT Global Chemical Public Company Limited Investor Relations 555/1 Energy Complex, Building A, 14th-18th Floor, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900
- 2) Phone : 66(0) 2265-8574, 66(0) 2265-8172
66(0) 2265-8327, 66(0) 2265-8533
- 3) E-mail : ir@pttgcgroup.com
- 4) Fax : 66(0) 2265-8500

In addition, PTTGC offers a swift and convenient communication channel via email as published on its website under Corporate Governance. Shareholders and the general public may reach out to the Chairman of the Corporate Governance directly. They may also contact the Corporate Secretary for company information at cg@pttgcgroup.com.

Responsibilities of the Board of Directors

The Board of Directors has a pivotal role in corporate governance for the utmost benefit of PTTGC; therefore, PTTGC has outlined the policy on duties of the Board including its composition as well as its roles and responsibilities as follows;

1) [Setting Business Strategies, Policies, and Directions](#)

The Board considers and approves PTTGC's business strategies in accordance with current economic situations.

These strategies are reviewed at least once a year. In 2015, the Board met to review PTTGC's long-term direction and business strategies in August. Additionally, the Board ensures that management implemented goals and plans through the President and Chief Executive Officer without neglecting other activities to maintain balance among business, society, and the environment in order to develop sustainable growth in the future.

2) [Corporate Governance and Business Code of Conduct](#)

The Board set the Corporate Governance Policy and Business Code of Conduct for PTTGC Group's Director, Executives, and staff members to comply with. These are guiding operations to the highest standards, with ethics, transparency, efficiency, and accountability for PTTGC to earn credibility and recognition. The Corporate Governance Committee is tasked with ensuring that PTTGC is in strict compliance with all applicable laws, regulations and resolutions of shareholders. It devises the Corporate Governance Policy and Business Code of Conduct and Corporate Compliance Policy. It also sees to matters of internal control practices, good and independent auditing, disclosure of important information, equal protection of interests and rights of all shareholders. Furthermore, it raises awareness and understanding of PTTGC's personnel on compliance with the Corporate Governance Policy.

3) [Internal Control and Internal Audit](#)

The Board understands the importance of internal control and internal audit. PTTGC and companies under PTTGC Group must have effective internal control system that is consistent with the level of risk that they are exposed to. The Audit Committee and Internal Audit Department are mandated with responsibility for performing reviews and monitoring internal audit on a regular basis. They must ensure that requirements are met on operations, reporting duty and compliance with all laws, rules, and regulations. Furthermore, they must build confidence among Executives, Investors, and other Stakeholders by implementing an internal control system that meets international standards, taking into consideration an appropriate internal control environment, assessment of risks that may jeopardize the objectives and efficient control activities. They must also provide trust-worthy internal and external communication. Adequate and reliable monitoring must be executed regularly. These are described under Internal Control.

4) Risk Management

The Board oversees PTTGC's risk management system. Risk is a barrier to achieving our strategic objectives. The Risk Management Committee is tasked with devising policies and frameworks of risk management as well as supporting and ensuring its efficiency. The Risk Committee considers substantial risk at project level and organization level. The Committee must provide operation plan, monitor, assess, and consistently make adjustments to the risk management plan to decrease exposure to organizational and project risks to an acceptable level. Furthermore, it must provide risk management reports to the Board on regular and ad-hoc basis, as disclosed under Risk Management and Risk Factors.

5) Conflicts of Interest

Our Board of Directors came up with the tools needed to ensure efficient and transparent business management for the utmost benefit of the Group. It has devised policies and guidelines regarding conflicts of interest in the Corporate Governance and Business Code of Conduct Handbook for Directors, Executives, and staff to comply with. Director, Executives from the level of Senior and Executive Vice President to the top, and financial controllers, per requirements of SEC, must report their interest and those of their related persons to PTTGC. As for staff members, they are to report any transaction that may lead to a conflict of interest annually. In the event the conflict of interest arises, parties involved must make an immediate report to PTTGC. We are cautious in ensuring that PTTGC complies with Connected Transaction regulations. Connected Transactions must not be conducted if they are in violation of the rules of the Stock Exchange of Thailand or the Securities and Exchange Commission.

We laid down the following measures to prevent conflicts of interest:

- 1) Directors, Executives, staff members, and related persons must avoid taking part in a financial transaction and/or a relationship with an entity outside the organization that will result in damage to PTTGC, or in a conflict of interest or prevent PTTGC from conducting efficiently.
- 2) Directors, Executives, employees, and stakeholders who may have a conflict of interest in a procurement, bidding, decision making, or approval process must make a report to the attention of their superiors or involved parties, using PTTGC's conflict of interest form, or otherwise withdraw from participating in such process.

Board of Directors and Sub-Committees

Board of Directors

Directors are qualified experts with knowledge, skills, and experiences in various fields. The combination of these skills and qualities is aimed to bring the greatest benefit possible to PTTGC. They dedicate their time to perform their duties for the utmost benefit of PTTGC and for all shareholders. They are nominated and appointed per proper criteria. Their duties and responsibilities are based on applicable laws, PTTGC's rules and regulations, shareholder resolutions, good corporate governance principles and based on the notion that they shall not act in conflict of interest with PTTGC. This is to instill confidence among shareholders and investors. The structure of the Board of Directors as appears in Management Structure allows them to perform their duties efficiently. The number of Directors is suitable for the size and type of business and was approved by shareholders. [In 2015 we made further adjustments to the composition and qualification of Directors, mandating that Independent Director should comprise more than half of the Board. This is now included in the 2016 Edition of the Corporate Governance Handbook and available on PTTGC's website.](#) In addition, PTTGC has implemented a skill matrix that aligns qualifications of Directors with PTTGC's business strategies to facilitate the nomination process.

Sub-Committees

The Board has selected Director with the right expertise to serve on PTTGC's various Sub-Committees mandated by the Articles of Association. These Sub-Committee Directors assist to refine tasks mandated to them that fall under each Sub-Committee's scope of work. Qualifications, length of term in position, and the scope of responsibilities are found in each Sub-Committee's Charter. Members of each Sub-Committees are to report their performance to the Board at a Board Meeting regularly. They are also to report their yearly performance to shareholders on Form 56-1 and in the annual report each year.

Currently, PTTGC has four Sub-Committees, namely the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Risk Management Committee. In 2015, the Board of Directors reviewed and made adjustments to the composition of each Sub-Committee to enhance their efficiency. The details on names of these Directors, their roles and responsibilities, and overall number of meetings as well as meeting attendance of each Director are found under [Management Structure](#).

Nomination and Appointment of Directors and President and Chief Executive Officer

Nomination and Appointment of Directors and Independent Directors

The Board of Directors has appointed the Nomination and Remuneration Committee and tasked it with finding candidates with the knowledge, skills, expertise, and experience that will benefit and complement our business strategies when a Director position becomes vacant or a Director's term is due for rotation. Suitable candidates may also be proposed by minority shareholders or majority shareholders and match their qualification with Director Nomination Criteria of the Stock Exchange of Thailand. Nominees may also be nominated from Directors' Pool of trusted organizations such as the Institute of Directors or from the Director Database that has compiled names of experts in various fields that will benefit PTTGC. In considering a candidate to nominate, the Committee values their skills, experience, profession, and **expertise that complement our business strategies**. This renders the Board diverse and able to maximize benefits to PTTGC. In addition, the Committee takes into account any possible conflict of interest of nominees to ensure thorough transparency of their appointment. Below are the types of appointment:

Directors

- **Nomination of New Directors:** Consideration is given to a number of factors. They must possess qualifications required by laws and related regulations. They must be an expert with knowledge, skills, and experience in the fields that are advantageous to their role as a Director, beneficial to the composition of the Board, and complementary to our business strategies. These possible nominees are considered against a skill matrix, comprising engineering, legal, financial, accounting, economic, security and social, and management skills. This skill matrix helps find the right Director whose skills, when combined with the others', will prove beneficial to our operations and also helps screening possible conflicts of interest.
- **Nomination of Existing Directors:** Consideration is given to past performance, beneficial suggestions given and opinions expressed, time dedication, and participation in various activities.

Independent Directors

On the matter of nominating and appointing an Independent Director, the number of Independent Director is mandated by the SEC. As of December 31st, 2015, there are nine Independent Directors out of all 15 members of the Board. This figure exceeds the number required by SEC and is in line with the information disclosed under Management Structure. The definition and qualifications of an Independent Director are outlined in the Corporate Governance Handbook and also available on the website.

Nomination and Appointment of the Chief Executive Officer

Nominating a candidate to the office of the Chief Executive Officer is done when the position is vacant. The Nomination and Remuneration Committee considers candidates' skills, experience, profession, and specialization that are directly needed and will yield the utmost benefit to PTTGC's business. The nominee has to be approved by the Board. The criteria are listed hereafter:

- Be PTTGC's Director according to the Articles of Association
- Knowledge and skills required to run a business
- Experience in the energy, petroleum, and petrochemical sector
- Experience in leading an organization
- Leadership skills
- Held in high esteem by related businesses and organizations

(More information can be found under [Development of Directors and Executives and Talent Management Succession Plan](#).)

Roles of the Chairman and the President and Chief Executive Officer

The Chairman of the Board of Directors and the President and Chief Executive Officer shall not be the same person. Their roles and responsibilities are separate as outlined below:

The Chairman of the Board of Directors is an Independent Director tasked with supporting management. It is not his or her role to partake in the quotidian operations. The Chairman's main role is to maintain the Board's independence from management and ensure its efficiency. The Chairman works together with the President and Chief Executive Officer, who

also acts as Secretary to the Board, to determine meeting agenda. The Chairman encourages all Directors to participate in Board Meetings, sees to it that Directors comply with PTTGC's Corporate Governance and Business Code of Conduct, and takes responsibility towards shareholders and stakeholders. In addition, the Chairman must not be part of any Sub-Committees to clearly and appropriately segregate his or her duties and to maintain his or her independence as Chairman. The current Chairman has performed his task with prudence, independence, and admirable leadership. His actions reflect his aim for the utmost benefit of PTTGC. He has extensive experience and expertise in energy, petroleum, petrochemical, and management. He is also well regarded by several organizations who would like to use his knowledge and skills to their advantage.

President and Chief Executive Officer appointed from one of the Directors according to the Articles of Association; sits at the highest pinnacle of the corporate hierarchy. He or she is tasked with managing PTTGC according to established policies, plans, and budgets under the authority granted by the Board of Directors and laid down in the Articles of Association and the Company's regulations. The President and Chief Executive Officer also serves as Secretary to the Board. The roles and duties of this position are disclosed on PTTGC's website (www.pttgcgroup.com) in Thai and English. Furthermore, the Articles of Association also mandate that the President and Chief Executive Officer is remunerated and receive benefits for his or her role as the highest-ranking Executive on top of being a Director.

Board Meetings

The Board of Directors schedules the exact date and time of board meetings for the entire year in advance. The agenda of each meeting is also clearly outlined. There were also other special meetings whenever the need arose. Directors received the invitation to the meeting, draft minutes of the previous meeting, and information accompanying the meeting agenda seven days prior to the meeting. In 2015, there were a total of 13 meetings scheduled in advance. Details of Directors' attendance are disclosed in Board Meetings, under Management Structure.

The Chairman chairs these Board Meetings and allows every Director to express their opinion freely. In accordance with best practices, the Board of Directors mandates that at least two-thirds of all Directors must be present to constitute a quorum and the quorum must be maintained until voting. A resolution is passed based on majority votes. Each Director has one vote. Directors who have interests in an agenda item either refrain from attending the meeting during the discussion of that agenda item or from voting on that agenda item. In the event of a tie vote, the Chairman casts his vote to resolve the matter. The Chairman has encouraged all Directors to attend these meetings throughout 2015. The Board also places a great deal of importance on resolving conflicts of interest prudently, justly, and transparently. The Board also discloses information regarding conflicts of interest in full. In the event a Director has interests in the subject matter being considered, that Director must not be part of decision making. After the meeting, Corporate Secretary will complete meeting minutes, which will be presented as the first agenda item of the next meeting. The Chairman then signs his name to approve the minutes, which are then systematically kept as a confidential electronic document together with other agenda-accompanying documents for ease of retrieval and reference purpose.

Independent Directors held an Independent Director Meeting to exchange ideas and give suggestions independently. This meeting allowed them to discuss problems of management that are of interest to them without the presence of management. It was also a chance to discuss the protection of PTTGC's interests, prevention of conflicts of interest between PTTGC and stakeholders, internal control, and efficient and adequate risk management. In addition, there was a Director Meeting without management present that gave the Board a chance to express ideas and give suggestions on PTTGC's business.

Throughout 2015, Board Meetings were all e-meeting. Information and documents were sent to Directors on their iPad for convenience and swiftness, which also contributed to the reduction of paper use. These documents were classified as confidential and safeguarded by a security

system. Furthermore, PTTGC has taken advantage of the advancement of communication technology for members of the Board of Directors and Corporate Secretary to discuss matters relating to Board Meetings and other significant issues, such as news of PTTGC's operations, news released to the media and the public, and information disclosed to the Stock Exchange of Thailand through this communication platform.

Directors' Performance Assessment

Board of Directors

In 2015, the assessment form underwent a revision. The Board of Directors is assessed every year to help Directors review their performance and revisit problems and obstacles of the past year. There were three types of assessment: [group assessment](#), [self-assessment](#), and [cross-assessment](#) (assessing another Director). The score was divided into five levels. The overall assessment was summarized and presented to the Board and is disclosed in the annual report. In order for these assessments to be more suitable, PTTGC has revised questions and criteria in accordance with the guidelines on board assessment. The result of the assessment will be used as one of the criteria for considering annual remuneration for the Board, on top of PTTGC's operating performance. The summary was presented to the Board, who acknowledged it and used suggestions to devise guidelines that will help concretely improve the efficiency of the Board.

1. [Group assessment](#) comprises six categories of questions, namely, board policy, board performance, board structure, board style, board meeting, and board development. 15 Directors in position during the time of assessment in December of 2015 were assessed.

[Group assessment of the Board in 2015 yields a score of 97.8%.](#)

2. [Self-assessment](#) comprises three categories of questions, namely, compliance with ethics and code of conduct, responsibility towards duties, and self-development and teamwork.

[Self-assessment of the Board in 2015 yields a score of 95.6%.](#)

3. [Cross-assessment](#) comprises three categories of questions, namely, independence, time dedication and meeting attendance, and expertise.

[Cross-assessment of the Board in 2015 yields a score of 98.1%.](#)

Sub-Committees

Sub-Committees consist of the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Corporate Governance Committee. These Sub-Committees were assessed as a whole and their members were also assessed individually. In 2015, every Sub-Committee reviewed and improved the topics, questions, and criteria of the assessment.

1. [The Audit Committee](#) was assessed on the topics of its charter; composition; meetings; training and resources; responsibilities; relationship with department managers, internal audit department, auditors, and management; reporting to the Board and shareholders; and how they maintain performance quality. The results are summarized below:

- Group assessment: average of [92.2 %](#)
- Individual assessment: average of [88.1%](#)

2. [The Nomination and Remuneration Committee](#) was assessed on the topics of composition and qualification, scope of duties, meetings, reporting duty, and performance evaluation. This was also the first year that each Director to the Committee was assessed individually. The results are summarized below:

- Group assessment: average of [99%](#)
- Individual assessment: average of [98%](#)

3. [The Corporate Governance Committee](#) was assessed on the topics of composition and qualification, scope of duty, meetings, reporting duty, and performance evaluation. This was also the first year that each Director to the Committee was assessed individually. The results are summarized below:

- Group assessment: average of [98%](#)
- Individual assessment: average of [97%](#)

4. The Risk Management Committee was assessed on the topics of composition and qualification, scope of duty, meetings, reporting duty, and performance evaluation. The results are summarized below:
- Group assessment: average of 99%
 - Individual assessment: average 99%

Additionally, the Nomination and Remuneration Committee will use the results of these assessments as one of the criteria in considering appropriate remuneration for Directors' 2015 performance, on top of PTTGC's operating performance and other criteria.

Development of Directors and Executives

The Board of Directors values continuous training courses pertaining to the development of Directors' knowledge and skills. These courses help with the creation of new ideas that will bolster the performance of the Board. Additionally, PTTGC regularly train Executives to prepare them for position rotations within the organization and for the succession to other important positions in the hierarchy.

Orientation for New Directors

PTTGC requires that all new Directors undergo orientation conducted by high-level Executives, which covers a business summary, data, practices, related rules and regulations, good corporate governance and business code of conduct including other useful information for the assumed position. Directors also get handbooks and other documents needed to perform their role namely, strategic plan, Articles of Association, Memoranda, annual report, related regulations, Corporate Governance and Business Code of Conduct Handbook, Compliance Policy Handbook. These documents for Directors are regularly updated.

Directors Training

PTTGC's Directors are knowledgeable and skillful. They constantly seeking additional knowledge that will help them better perform their role and benefit PTTGC's business. PTTGC encourages all Directors to undergo additional training to enhance their expertise.

- The Board of Directors participated in national events aimed at promoting good corporate governance and uplifting its standards. The Board also exchanged ideas with experts at national and regional level, for example, plant visits. This allowed Directors to have a first-hand experience of PTTGC Group's operations as well as those of joint-ventures. These visits enriched the Directors' understanding of PTTGC's business, as well as optimizing their knowledge and experiences to the benefit of PTTGC.
- All of Directors underwent training with the Thai Institute of Director Association (IOD) and PTTGC still encourages them to take other courses and programs that will help broaden their view, which may be applied to PTTGC's business. In 2015, Directors underwent the following important programs.

Name – Last Name / IOD's Program

1. Mr. Samerjai Suksumek
Director Certification Program (DCP) Class 204/2015
Director Accreditation Program (DAP) Class 120/2015
2. Colonel Nithi Chungcharoen
Director Certification Program (DCP) Class 200/2015
3. Mr. Don Wasantapruerk
Director Accreditation Program (DAP) Class 117/2015
Role of the Nomination and Governance Committee (RNG) Class 7/2015
4. Mr. Praphon Wongtharua
Director Certification Program (DCP) Class 218/2016

IOD and Other Training Programs of the Board of Directors

Name – Last Name	DCP	DAP	ACP	RCP	FND	UFS	FSD	RNG	PDI	ACEP	CSP	CMA	TEA	Justice Administration
Mr. Prasert Bunsumpun		26/2004		28/2012								Class 3	Class 3	
Mr. Somchai Kuvijitsuwan	76/2006	56/2006		28/2012		3/2006						Class 9	Class 2	
Mr. Vasin Teeravechyan	155/2012	94/2012						5/2013						
Professor Surapon Nitikraipot	102/2008			25/2011								Class 4	Class 7	
Mr. Anon Sirisaengtaksin	73/2006	52/2006										Class 1		
Miss Ruenvadee Suwanmongkol	127/2010													Class 15
Mr. Amnuay Preemonwong	80/2006		38/2012				11/2011			13/2014				
Mr. Sarun Rungkasiri	61/2005				19/2005						8/2004		Class 5	
Mrs. Watanan Petersik		83/2010												
Mr. Don Wasantapruak		117/2015						7/2015					Class 6	
Colonel Nithi Chungcharoen	200/2015													
Mr. Auttapol Rerkpiboon	173/2013											Class 20		
Mrs. Boobpha Amornkiatkajorn	152/2011											Class 21		
Mr. Praphon Wongtharua	218/2016													
Mr. Supattanapong Punmeechaow	131/2010			30/2013					Class 12				Class 4	

DCP : Director Certification Program

DAP : Director Accreditation Program

ACP : Audit Committee Program

RCP : Role of the Chairman Program

FND : Finance for Non-Finance Director Program

UFS : Understanding the Fundamental of

Financial Statement

FSD : Financial Statements for Director

RNG : Role of the Nomination and Governance Committee

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

ACEP : Anti-Corruption for Executive Program

CSP : Company Secretary Program

CMA : Capital Market Academy Leadership Program Academy

TEA : Executive Program on Energy Literacy for a Sustainable Future

Justice Administration:

The Programme of Senior Executives on Justice Administration

In 2016, PTTGC has already enrolled new Directors for training, in addition to having applied for their IOD membership, which grants them access to necessary information and expands their knowledge. Every time when PTTGC receives training invitations or training material related to the Board of Directors, they will forward such to the Board for enrollment.

A lecture called Corporate Compliance Overview and Modern Board Roles in the Corporate Compliance Program was organized on August 24th, 2015 with the help of a speaker from Hunton & Williams, a well-known international lawfirm. This lecture informed the Board of Directors of corporate compliance guidelines of PTTGC Group and concrete compliance in accordance with international standards.

Talent Management and Succession Plan

PTTGC has a systematic succession plan with Talent Grouping, 360-degree Executive Evaluation, and an Assessment Center that gauges Leadership Competency, Organization Knowledge, and Experience. All of these contribute to effective individual development plans.

Moreover, to support business expansion, the change of organization structure, and to replace vacant positions due to retirement, we laid down succession plans, which ensure business continuity and contribute to the achievement of strategic goals. These plans will help PTTGC manage vacancies from retirement, transfer, or appoint new positions that emerge from restructuring or expansion in Thailand and abroad. Potential candidates to be successor will be part of a systematic development scheme that readies them for succession.

Governance of PTTGC and Its Subsidiaries

The Board of Directors endorsed to devise compliance guidelines for PTTGC's subsidiaries and affiliates. These companies are to operate and manage their business in compliance with PTTGC's Business Principles to ensure efficiency. [The Board of Directors has tasked the President and Chief Executive Officer to regulate policies, criteria, rules, and methods to appoint an employee or a person to be Director of PTTGC's subsidiaries and affiliates. These are listed in human resource management regulations of PTTGC.](#) The person appointed as a Director to a subsidiary or affiliate is tasked with managing the company to which he or she is a Director to generate the utmost benefit. Additionally, the Board of Directors ensures that important policies of these subsidiaries and affiliates comply with regulations of the SEC and the SET, as well as applicable laws. These policies include among others, Management Policy, Corporate Governance Policy, Corporate Compliance Policy, Financial and Accounting Policy, Safety, Occupational Health, and Environmental Management Policy, CSR Policy, Human Resource Management Policy.

The Board of Directors applies a mechanism to govern the investment of PTTGC's subsidiaries and affiliates by appointing PTTGC's Executives to serve as Managing Directors in these companies. In this regard, PTTGC nominates Executives as representatives from PTTGC to be Directors in these subsidiaries and affiliates. The Board issued an order titled [Guidelines for Governance of Policies and Investments of Companies Whose Shares Are Held by PTT Global Chemical Public Company Limited](#). These guidelines help Company's Executives and representatives perform their role in companies under PTTGC with the same or similar governance to PTTGC, yielding efficient, transparent, and fair operations that achieve goals.

Furthermore, person appointed to PTTGC's subsidiaries must ensure that those subsidiaries have regulations on connected transactions that in line with those of PTTGC. They must also have data storage and accounting records that is auditable and can be used to consolidate with the company's financial statements in timely manner.

On July 3rd and 6th, 2015, PTTGC held a lecture titled Mandatory Corporate Compliance for US Petrochemical Team for Executives and staff members appointed to work in the US to prepare them for the job.

Compliance with Other Principles of Good Corporate Governance

In summary of 2015, PTTGC thoroughly comply with good corporate governance principles. PTTGC adopted a non-discriminating against gender, nationality, and religion practice in determining Directors' qualification where the Board will consider nominee(s) based on the possession of diverse knowledge and skills. PTTGC strategies are now reviewed "every year". The Chairman has qualified as an Independent Director. All Sub-Committees must be assessed for their performance yearly. Companies under PTTGC must have similar standards for their financial, accounting, tax, and budget policies. The Corporate Governance Committee is now officially tasked with Corporate Social Responsibility, as mandated by its charter, which aligns with its current role. All possible dimensions of risk are assessed, including

the possibility of corruption within PTTGC. Internal control framework has been made to assess corruption risks at the process level. Internal control systems are regularly evaluated for their suitability and efficiency. [The Charter of the Nomination and Remuneration Committee was updated to require at least two meetings a year](#), replacing the previous once-a-year requirement. PTTGC has placed a great deal of importance on anti-corruption and anti-money laundering campaign, the blackout period in which Directors and Executives with insider information are prohibited from trading PTTGC stocks has been changed from 45 days to 30 days.

Furthermore, according to the Good Corporate Governance Principles, the Board of Directors should consist of 5-12 Directors. As of December 31st, 2015, PTTGC's Board is comprised of 15 Directors. This figure is suitable for the size and growth of PTTGC's business. The Board is comprised of experts held in high esteem with diverse experience and expertise in industrial production, petroleum, petrochemical, management, legal, accounting & finance, and corporate governance etc.



Mr. Adisorn Vichaikatka

Vice President of Internal Audit,
and Secretary to the Audit Committee.

Heads of Internal Audit and Corporate Compliance

Head of Internal Audit

At the meeting of the Audit Committee No. 4/2013, held on July 5th, 2013, has appointed Mr. Adisorn Vichaikatka as Vice President of the Internal Audit Department and serves as secretary to the Audit Committee from August 1st, 2013 onwards. His appointment was made due to his extensive knowledge, skills, experience, and qualifications required for the job. He has been working in Internal Audit, Internal Control, and Risk Management for PTTGC since 2005. He also underwent all extensive training courses required for internal audit. The appointment, termination, and rotation of the Vice President of the Internal Audit Department must be approved by the Audit Committee, as stipulated by its charter.

Head of Corporate Compliance

PTTGC has tasked Mrs. Warawan Tippawanich, Senior Vice President - Corporate Affairs and Corporate Secretary to oversee Corporate Compliance. Her roles and responsibilities are to encourage and support compliance activities among Executives, employees, and PTTGC Group including joint venture companies to comply with the laws, rules, and regulations.