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Corporate Governance

IRPC Public Company Limited

IRPC's business philosophy to conduct the business with responsibility and fairness has been instilled as corporate culture with development framework that aligns with economic and social revolution. The Company aims to attain sustainable growth and balance benefits of all stakeholders. Therefore, the Company is committed to its integrity, transparency with check-and-balance system as well as social and environment responsibility according to the best corporate governance principles in six main categories as follows:

1. Accountability to any decision making with sound business rationale
2. Responsibility to perform assigned duties at full potential and efficiency
3. Equitable treatment to all stakeholders
4. Transparency information disclosure
5. Vision to create long term value
6. Business Ethics

In 2009, the Company announced the Vision to become "Top Quartile Integrated Petrochemical Complex in Asia by 2014" and regarded Corporate Governance as a key element of Business Policy. The Company put in place the Plans for Corporate Culture and positive attitude on Corporate Governance Promoting to enhance awareness of all level of employees to bring about the fulfillment of Corporate Governance Policy and Guideline. The examples of activities are as follows:

1. Reviewed of the 2009 Corporate Governance Handbook's content to be more comprehensive and comparable to universal standards by adding responsibilities and best practices of Board of Directors, Management and employees. The Company delivered printed handbooks of "Good Corporate Governance Handbook of IRPC Public Company Limited, revised 1 (November 2009)" to all directors and employees to sign and acknowledge for compliance, and also disclosed on Company's internet and intranet for accessibility to all employees, shareholders, and other stakeholders.
2. Organized seminars for managements in the topic of "Management Ethics" to strengthen management's understanding on Roles and Responsibilities according to Corporate governance so they can act as a role model for the organization.
3. Prescribed Corporate Governance for the new staff orientation.
4. Organized "CG Day" to strengthen employees' understanding of Corporate Governance Policy and Guideline and joined "PTT Group CG Day" to publicize PTT Group's Good Corporate Governance Activities.
5. Published monthly newsletter "Harmony (Duay Mit Maitree)" as a communicating channel to plant's surrounding community for the company information as well as useful bit of knowledge e.g. healthcare, safety tips, energy saving or environment conservation, etc.

The Company is determined to continually develop Corporate Governance activities for benefits of all stakeholders with the utmost aim to reach Universal Corporate governance Standard according to the intention of National Corporate Governance Committee, The Stock Exchange of Thailand and Security Exchange Commission that aim to promote creditability of Thailand's capital markets to international standard.

Throughout the year 2009, Board of Directors monitored the Company's Corporate Governance Observance in following 5 key areas:

The Rights of Shareholders

The company is highly aware of, and always grants precedence to, the rights of shareholders in order to encourage their trust and confidence in investing with the company. Therefore, the Company has issued policies and guidelines to maintain the equal basic rights to every shareholder in compliance with related laws and the company's Articles of Association. For example, shareholders have the right to receive profits/ dividends equally, the right to attend the Annual General Meeting of Shareholders, the right to appoint a proxy to attend and vote on their behalf at the Annual General Meeting of Shareholders, the right to vote for the appointment or withdrawal of individual directors, the right to express their opinions and ask questions to the Board, and the right to receive sufficient and up-to-date information. Besides the above practices, the Company has also implemented suitable and effective management measures for our shareholders. Based on good corporate governance practices, the company performs the following activities in order to support their rights:

1. Open an opportunity for shareholders to propose Agendas of Annual General Meeting in advance during specified period, and announced to the shareholders via SET's ELCID together with criteria to propose the agenda on corporate website. However, no shareholder proposed agenda in 2009.
2. Prior to the Annual General Meeting of Shareholders, the company will send an invitation letter together with necessary support documents to shareholders. The invitation letter is normally comprised of the following details: date, time, address, map of the meeting place, meeting agenda and opinions of directors, agenda support documents, a proxy form in the Ministry of Commerce's format, meeting rules, voting regulations and a list of necessary documents shareholders will present in the meeting. Additionally, shareholders are allowed to submit their inquiries in advance to maintain their rights in attending the meeting and the inquiries should be submitted to the directors at least 14 days before the meeting date. Moreover, the company also posts the invitation letter, the necessary documents and related information for the Annual General Meeting of Shareholders in both Thai and English on the company's website for 30 days prior to the meeting date and advertises all details in daily newspapers three days in advance for three consecutive days.
3. On the day of the meeting, the company holds a pre-registration session at least two hours before the meeting. The Company prepares a convenient meeting room, adequate registration staff and a barcode system for registration in order to facilitate our shareholders. At the same time, the Company prints out a separate ballot paper for each item on the agenda. The Company also holds a late registration session for shareholders who have the right to attend the meeting in order to uphold their rights.
4. The Chairman of the Board, President and Chairman of sub-committees all place great importance on the meeting and, in order to maintain shareholders' rights, they will attend the meeting in order to answer all of the company or agenda-related inquiries made by shareholders.

5. Before the meeting begins, the Chairman of the Board will explain to shareholders about voting and vote-counting methods as stated in the Company's Articles of Association and will explicitly inform them of the results of the vote for each item on the agenda as well as assigning shareholders' representatives to verify the results of each vote. The Company also provides independent legal advisor to be the witness of vote count. Each topic is separately voted in order to protect the right of shareholders.
6. During the meeting, the Chairman will allow sufficient time for each issue and will run the meeting transparently and properly by giving shareholders the chance to express their opinions and ask questions before voting and will summarize the resolution of each item on the agenda.
7. The company discloses information regularly via the Stock Exchange of Thailand (SET) and the company's website in both Thai and English. Moreover, the Company has set up an Investor Relations Office to communicate, and answer questions about the information that has been changed or issues that are important to shareholders.
8. The Company openly discloses our shareholding structure in the company's subsidiaries and associate companies to ensure transparency and accountability of the company's structure to shareholders.
9. The Company has effectively managed to create sustainable growth for its organization in order to deliver attractive return to shareholders

Equitable Treatment of Shareholders

The Company places great importance on its shareholders and manages to treat all with equitability and fairness by:

1. Arranging transparent and efficient Annual General Meetings of Shareholders by running the meeting and holding votes in accordance with the sequence of the meeting agenda as notified in the invitation letter. It is not the Company's policy to add more items to the meeting agenda without giving prior notice to shareholders. This allows them the chance to study related information on each item on the agenda before making a decision.
2. Enabling shareholders who are unable to attend the meeting themselves to appoint one of the Independent Directors, Chairman, President or any relevant person to attend the meeting and vote on their behalf by proposing their name in the proxy form that allows the proxy to act according to the shareholder's intentions.
3. Providing separate ballot paper for each item and encouraging shareholders to use a separated ballot paper for every voted item. Ballots will be gathered in the meeting room and the votes counted and merged with advance votes made via proxy forms. Then the result of the vote will be announced at the meeting.
4. Recording the minutes of the meeting precisely. This will be comprised of all relevant important issues including the meeting resolutions and voting results which are separated into approved votes, disapproved votes and abstained votes on each agenda item, inquiries, explanations and opinions from the meeting. The minutes will be forwarded to all related parties within 14 days after the meeting. Moreover, the whole session of the meeting will be recorded. The video recording and the minutes of

the meeting will be placed on the company's website to provide useful information to shareholders and general investors.

5. Outlining the measures regarding information security and the prevention of insider trading in the company's Good Corporate Governance Handbook that all employees have signed in acknowledgement of the company's measures to create fairness for shareholders. The directors, the management and all related persons, including spouses and children aged under 20, will be informed that they are not allowed to use undisclosed information that affects the company's share price as it violates the Securities and Exchange Act 1992, section 241. Additionally, the directors and the Board of Management must report their shareholdings to the Securities and Exchange Commission (SEC) when they are firstly appointed for the position and they must report to the SEC within three working days every time they change their holdings.

Role of Stakeholders

The Company conducts its business by adhering to its responsibility for the rights of both internal and external stakeholders for sustainable benefits. The Board of Directors has supervised and set up management procedures that guarantee that the company acknowledges the rights of all stakeholders as stated by law and the company's Corporate Governance Handbook. The rights of shareholders, staff, trading partners, competitors, debtors, customers, the community, society and the environment are upheld by the guidelines and responsibilities that employees of all levels are expected to act upon as follows:

Shareholders: The Company is committed to its responsibility to create the highest levels of satisfaction for all shareholders on the basis of sustainable growth and regular satisfactory returns. Board of Directors, management and all employees perform their duties with integrity, transparency, at their full capability and do not involve in any business with conflict of interest to the Company as well as not to disclose confidential business information to outsider.

Customers: The Company is determined to create outstanding customer satisfaction and confidence in receiving the best quality products and services at reasonable prices as well as keep customers' information with strict confidentiality to maintain mutually beneficial long-term relationships with its customers.

Trading Partners: The Company has code of conduct and business ethics for procurement system to uphold equality and mutual benefit with its trading partners. Therefore, trading partners must strictly comply with all rules and regulations.

Competitors: The Company runs its business strictly on the basis of business ethics and transparency under the rules of fair competition. It avoids dishonest or inappropriate acts that adversely affect competitors' reputations.

Creditors: The Company treats its creditors with transparency, fairness and responsibility by strictly comply with the rules of payment, covenants, collateral protection, and other conditions including not using the loan in ways that conflict with the agreement signed with the creditors. In case the company cannot comply with any of these conditions, it will inform the lender in advance in order to consider and develop solutions.

Staff: The Company considers its employees as a key factor in its success. Therefore, the Company strives to build up good corporate culture, comfortable working atmosphere and good teamwork. To enhance professionalism, the Company provides innovative technology to support operation and satisfactory remuneration and benefits to its staff including medical allowances, annual physical check-ups, transportation and the creation of clubs and associations. Moreover, the Company has also created a safe and convenient working atmosphere that helps its people work effectively. It places great importance on the development, knowledge and potential of its entire staff and pays attention to the opinions and suggestions of its employees at every level.

Society and the Environment: The Company operates an integrated refinery and petrochemical complex along with necessary infrastructure, such as a power plant, deep-sea port and oil storage tanks, in Rayong province. Aware that 'Rayong is our home', the Company has tried hard to conserve the environment and the quality of life of local people by monitoring the environment according to government regulations. Moreover, the Company has continually surveyed local people's opinions towards the company's business. Above all, the Company has identified best practice on safety, health and the environment for our employees to practice on a daily basis. the Company also promotes various social activities related to protecting the environment and improving the quality of life based on the concept of sustainable development. In 2009, the Company has established "Community Learning Network Center" to be a focal point for information dissemination and other activities to build relationship with Rayong community and public.

Reporting of Misconduct or Complaint

To equitably treat all stakeholders with fairness and transparency according to the good corporate governance, IRPC provides a channel for all stakeholders to report misconduct or complaint over illegal acts, fraud, negligence or inequitable treatment that affected or caused potential risk to stakeholder by directly inform the Company or mail to:

The Chairman of Audit Committee or Internal Audit Manager
IRPC Public Company Limited
21st floor, Suntowers B
123 Vibhavadi Rangsit Rd.,
Chompol, Chatuchak, Bangkok, 10900
Tel: 02 649-7000 Fax: 02 649-7654.

The Company will relocate Bangkok Office from 1 April 2010. Therefore, after 31 March 2010, please contact the Company by mail to:

The Chairman of Audit Committee or Internal Audit Manager
IRPC Public Company Limited
6th floor, Energy Complex Center, Tower B,
555/2 Viphavadi Rangsit Rd.,
Chatuchak, Bangkok, 10900
Tel: 02 649-7000 Fax: 02 649-7654.

After the Company receives the report of misconduct or complaints, Internal Audit Department will register, consider and scrutinize the complaint. In case the Company found any, the Investigation Committee will be formed with representatives from related departments. In case the Committee found no guilty, the Committee will close the compliant according to the procedure. If found any illegal act or fraud, the Committee will take disciplinary or legal action as the case may be. Subsequently, the issue will be reported to President and seek approval to take legal action as well as compensate the sufferer. However, there was no complaint from any stakeholder in 2009.

Information Disclosure and Transparency

The Board of Directors of IRPC places great importance on the quality of information and the equal, transparent and fair disclosure of said information via conveniently accessed channels. In 2009, the Company managed the disclosure of information, so as to boost stakeholders' confidence, as follows:

The Accuracy and Completeness of Information

- The Company precisely, completely and transparently disclosed corporate and financial performance information, as well as non-financial information, as required by the Securities and Exchange Commission (SEC) and continually improve the efficiency of disclosure procedure, for example, the annual and quarterly financial statements of the Company was compiled and reviewed or audited before being submitted to the SEC, and were disclosed to shareholders and investors before the due date.
- The Company compiled its financial statements accurately and completely in accordance with accepted accounting standards and reviewed or audited by the Audit Committee and an independent auditor. Moreover, to assure all stakeholders, the Company directors submitted the Report of Board of Directors' Responsibility for Financial Reporting and disclosed it in the Company's annual report together with the auditor's report. The details of the report cover the implementation of accounting standards that are consistent with our business and use the suitable policies that the Company consistently apply.
- Additional important company information according to the Company's good corporate governance policies is disclosed in the annual report, the Annual Registration Statement (Form 56-1) and the Company's website, which is updated regularly.
- The Company continuously arranges meetings and information exchanges between the Company's executive and employees in order to inform staff regarding the Company's business direction and strategies as a clear guidance to perform their duties and add more value to the organization and shareholders.

Channels and Responsible Persons in Disclosing Information

- The Company's important, updated and complete information, based on its good corporate governance policies, has been posted on www.irpc.co.th in both Thai and English. The website allows visitors to download the information and request more details. Moreover, the Company will continually improve the website to better reflect corporate value and satisfy the needs of all stakeholders.
- The Company has set up an Investor Relations Office and appointed responsible persons to act as a communications channel with shareholders, retail and institutional investors, analysts, and other related parties such as the Stock Exchange of Thailand (SET) and the Securities and Exchange

Commission (SEC). The executives take part in investor relations activities by, for example, meeting with investors and analysts, according to the annual corporate plan, to clearly explain the Company's business performance and answer all related questions. The information is also posted on the Company's website after the meeting. Moreover, the Company regularly surveys analysts' opinions on its investor relations activities for improvement.

- The Company has set up channels for shareholders, investors, analysts and other people to search for additional company information via the Company's website at www.irpc.co.th or by directly contacting the Investor Relations Office using three main channels as follows:

  (1) Telephone: 02 649-7384

  (2) E-mail: ir@irpc.co.th

  (3) Fax: 02 649-7379

- The main activities of Investor Relations Office in 2009 can be summarized as follows:
  - 8 overseas roadshow in Hong Kong, Singapore, Japan, Europe, the United Kingdom and the United States of America.
  - 1 local roadshow with retail and institutional investors.
  - 4 quarterly meetings with analysts to present the Company's operating performance after submitting financial report to the Stock Exchange of Thailand.
  - 39 company visit of analysts and investors.
  - 1 plant visit for 216 shareholders to give them greater understanding of the Company's business and to inform them of business progress.
  - 1 analysts conference to give them greater understanding of the Company's business and to inform them of business progress.
  - 2 activities held by the Stock Exchange of Thailand (SET) to publicize the Company's information to shareholders and investors.
  - Reported information and important news via the reporting system of the Stock Exchange of Thailand (SET) according to the Company's good corporate governance policies.
  - Answered all inquiries from shareholders, investors, analysts and related persons via telephone and e-mail.
  - Publicized the Company's information via the Company's website under the topic of 'Investor Relations' such as announcements to the Stock Exchange of Thailand, the invitation letter to the Annual General Meeting of Shareholders, the Company's share price etc.
- The Compliance Unit is responsible for monitoring and ensuring that the Company will comply with the rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The Compliance Unit distributed IRPC Compliance Handbook as well as organized training sessions for managements in the level of Section Manager and above to get a better understanding regards SET and SEC compliance in order that they can properly instruct staff under their supervision throughout the organization.
- The Company set up the Corporate Communication Unit to publicize the latest information, news, activities and cooperation with other business units to the media and the public as follows:

- Issued press releases to announce the Company's performance and business plan to the media after having reported all information to the Stock Exchange of Thailand (SET).
- Invited the media to visit the Company to acquaint them with the petroleum and petrochemical industry so they would fully understand the Company's business.
- Publicized all updated information via the Company's website to create mass communication as well as the Company's intranet in order to inform employees about the Company's activities.
- Organized community relations project by taking community leaders, housewife group, government officers and stakeholders to visit IRPC refinery, power plant, deep-sea port and industrial estate twice, total 579 people visited.

Throughout 2009, IRPC regularly communicated information and activities that related to the Company's strategies and business direction by considering quality of disclosed information.

Responsibilities of the Board of Directors

The Company's Board of Directors is the key factor of good corporate governance. The Board of Directors is comprised of qualified people who possess knowledge, expertise and experience that vital for the Company. Moreover, they must be able to fully dedicate to their duties. The composition of the Board of Directors is as follows:

The Board of Directors

The Board of Directors is comprised of 17 people, including 16 non-executive directors who do not hold management position in company and one director who holds management position. As a result, stakeholders can be assured that the directors are able to perform their roles in representing the shareholders independently with proper check-and-balance. All directors must have the necessary qualifications required by law as well as expertise in various fields so they can combine their knowledge for the benefits of the Company.

Chairman of the Board of Directors

The Chairman of the Board of Directors shall not be the same person as the Company's President for segregation of role and responsibility and independence to express his or her opinions. The Chairman is empowered to make a final decision and cast vote when a meeting vote is tied according to the Articles of Association.

Vice Chairman of the Board of Directors

The Vice Chairman performs duties assigned by the Chairman of the Board of Directors and acts on behalf of the Chairman of the Board of Directors on occasions that he or she is temporarily unable to perform the role or when the position of the Chairman is vacant.

President

The President is appointed to outline the management framework according to Board resolutions and policies. He or she also serves as the Secretary of the Board of Directors to arrange Board and shareholders' meetings efficiently.

The Sub-Committees

In order to deliberate important business-related issues cautiously and effectively, the Company appoints four main sub-committees as follows:

1. The Executive Committee

The Company will appoint at least three directors who are specialized in the petroleum and petrochemical industry as the Executive Committee to have authority and responsibility for considering the Company's business plans and annual financial budgets in order to make proposals to the Board of Directors. The Executive Committee will outline the investment and financial policy as well as business plans that comply with the Company's policy. Moreover, they also have the authority to approve investment guidelines and proposals following the Company's Articles of Association. They shall also consider and handle important issues related to the Company's business operations, as well as examine and make suggestions on all kinds of work projects before submission to the Board of Directors. Furthermore, the Executive Committee has the duty to appoint directors for subsidiaries and joint venture companies, based on the proportion of the Company's shareholdings or agreements signed between shareholders as well as performing other related duties assigned by the Board of Directors.

2. The Audit Committee

The Audit Committee is appointed by Board of Directors or Shareholders' Meeting Resolution and comprised of at least three Independent Directors and at least one of them must be knowledgeable and experienced in accounting and finance. The Audit Committee must be independent according to the qualifications defined by the Announcement of the Securities and Exchange Commission and the Stock Exchange of Thailand's regulations on the Audit Committee's qualifications and authority. The Audit Committee monitors and supervises the Company's operations, financial statements and internal controls. It may appoint an auditor to consider conflicts of interest and manage risks.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is appointed from at least three company directors and at least one of them must be an Independent Director. It is responsible for nominating qualified persons to be directors and the President according to reasonable and transparent selection criteria. Furthermore, it also considers the compensation schemes of directors and the President based on fairness and suitability before submission to the Board of Directors and the Shareholder's meeting for approval.

4. The Good Corporate Governance Committee

The Good Corporate Governance Committee is comprised of at least three company directors and at least one of them must be an Independent Director. It is responsible for considering and proposing corporate governance policies, as well as giving necessary suggestions on related corporate governance issues, to the Company's Board of Directors.

Directors' term of office

The Board of Directors and Sub-committees' terms of offices are 3 years. Each director is suggested not to hold directorship of other listed companies more than 5 companies as the Company recognizes and requires efficiency and performance of directors. The information of directors' holding positions in other listed companies is disclosed in Annual Report, Form 56-1 and Company's website.

In case of directors' holding directorship positions in other listed companies more than 5 companies, where the concerned listed companies are PTT Plc subsidiaries. The holding of directorship positions shall be considered as PTT management of its investment, there is no concern of directors' performance.

Roles and Responsibilities of the Board of Directors

The Company's Board of Directors is responsible for managing the business to create the greatest benefits for the Company. The roles, duties and responsibilities of the Board of Directors are to act within the law, the Company's Articles of Associations and good corporate governance policies with honesty, integrity, responsibility and transparency. Furthermore, it also oversees the Company's management performance to meet corporate goals, create the highest returns for shareholders and uphold benefits of stakeholders. In order to implement the Company's good corporate governance policies more effectively, the Board of Directors performs the following roles:

1. Contributing and giving priority to formulate corporate vision, business plans and strategies through comprehensive discussion and gathering of necessary information. The Board of Directors must also estimate potential risks to ensure that vision, business plans and strategies can be effectively executed.
2. Examining and approving the Company's important business strategies and policies, objectives, financial targets and plans. It must regularly follow up to ensure that the Company's vision, strategies and plans are being implemented.
3. Setting up a reliable accounting system, financial statements and auditing procedures. It must establish appropriate procedures in order to effectively and efficiently evaluate the Company's internal controls and audits.
4. Examining potential risks and set up a guideline for comprehensive risk control. The Board of Directors also supervises Managements to implement effective risk management procedures and seek business opportunities should the risk occur.
5. Monitoring and solving problems related to conflicts of interest and connected party transactions. The Board of Directors will give priority to key business matters by considering utmost benefits of shareholders and stakeholders.
6. Setting up a suitable remuneration system for the Company's executives so as to create both short-term and long-term motivation.
7. Evaluating the performance of the President on a regular basis as well as set up his or her remuneration commensurate with performance.
8. Providing convenient communication channels to communicate with shareholders and evaluating information disclosure so as to ensure its accuracy, transparency, completeness and reliability.
9. Acting as a leader and role model in performing duties to the highest levels and in compliance with the Company's good corporate governance policies.

The Board of Directors' Meeting and Information Distribution

The Company will set the dates and times for the Board of Directors' Meetings for a year in advance and will inform all directors of the meeting agenda beforehand so they can set their schedules. Special meetings

may be held outside these times if necessary. Furthermore, the Company will send each director an invitation letter in advance. This will also contain the meeting agenda and supporting documentation so they will have enough time to study all the information before the meeting.

During the meeting, the Chairman of the Board of Directors will ensure that enough time is allowed for all directors to make proposals, present information and discuss significant matters with care and caution. Furthermore, the Chairman also encourages directors to cautiously deliberate the issues and freely give their opinions. The Board of Directors encourages the President to invite executives who are directly related to the meeting agenda to attend the Board of Directors' Meeting in order to give clearer explanations and provide additional information. The Board of Directors may ask executives to provide documents, information, suggestions and other services related to the Company's operation. Additionally, the Board of Directors may seek additional opinions from independent consultants if necessary. Directors who may have a conflict of interest on an agenda item must abstain from voting and giving opinions or they should not attend the meeting. After the meeting ends, the minutes will be accurately recorded in writing and should include all resolutions and opinions. Approved minutes are signed by the Chairman and properly filed so that directors and related persons can review and use them for reference.

Leadership and Vision

The Board of Directors plays an important role in determining the Company's vision, mission, strategy, business plans and annual budget in order to create the highest value for the company and the greatest benefits for shareholders. Additionally, the Board of Directors is responsible for approving proposed strategies and key policies, especially in the field of finance and business plans, which shall be approved at the beginning of the year and followed up regularly.

The Board of Directors has set up effective internal control procedures, internal audit and risk management policies. It follows up the implementation of each area regularly in the Board of Directors' Meeting.

The Board of Directors also supervises the performance of the Company's management by requiring them to report on business progress and the Company's earnings on a monthly basis at the Board of Directors' Meeting. Furthermore, the Board is fully aware of pertinent laws and regulations and requires management to report every important issue related to the Company in order to run the business efficiently and correctly.

Prevention of Conflicts of Interest

The Board of Directors has cautiously managed every issue related to conflicts of interest. Therefore, it has set guidelines in order to examine every issue related to conflicts of interest concerning shareholders, directors, executives and other related parties in the Company's Good Corporate Governance Handbook. The Company's internal audit procedure has strict examination criteria, and each case must be verified by the Company's Audit Committee in order to prevent conflicts of interest and to ensure that the Company has audited the issue based on justification, reason and the highest benefits to shareholders.

- The Board of Directors has monitored the procedures carefully according to the stated principles, acting with independence, transparency and the highest benefits to the Company in the execution according to the rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

- When examining cases of conflicts of interest, all related parties are not allowed to participate in the decision making process. Therefore, at every the Board of Directors' Meeting, the Chairman will request everyone participating to strictly follow the rules relating to the case. The directors who are involved in the case must report to the meeting and abstain from voting or giving the opinion on the issue.
- The Board of Directors has disclosed all information relating to conflicts of interest in the Company's Annual Report and the Annual Registration Statement (Form 56-1).

Moreover, the Company strictly follows the rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) in performing any connected parties transaction and the acquisition or disposition of the Company's assets. In the case that the Company has to ask for shareholders' approval in performing such activities, the vote shall not be less than ¾ of the total vote of shareholders or their proxies attending the meeting, excluding the portion of shareholders who are involved in the conflicts of interest issue.

Managing the Use of Insider Information

The Company has set up policies for directors, executives and employees that prohibit the use of the Company's undisclosed information for their own benefits or for the benefits of related persons, or for the sale or purchase of the Company's securities as follows:

- Treat all shareholders equally and fairly. In order to prevent employees at all levels who have received undisclosed information, or their families, from performing any action that is against the law, the Company prohibits such people from buying, selling, persuading other people to buy or sell, or making tender offers or public offerings of the stocks issued by the Company, its subsidiaries and joint ventures listed on the Stock Exchange of Thailand (SET), whether by themselves or via brokers, while they are in possession of said undisclosed information. The Company and the Stock Exchange of Thailand (SET) consider the use of insider information as speculative trading or giving an unfair advantage to a group of people.
- Set up an information security system by specifying a hierarchy for the information according to the level of confidentiality as well as by limiting access so that only necessary and related persons will be allowed to access the information. Therefore, it is considered the responsibility of those in possession of confidential information to strictly comply with the rules of the information security system and instruct all related people to do likewise. Those who make use of insider information will be penalized by law or disciplinary sanctions.
- Inform the directors, executives and all related persons to report the number of shares held by themselves, their spouses, family and underage children when taking a position with the Company. According to the Securities and Exchange Act 1992, sections 59 and 275, they also have to report the transference of shares within three working days of the day the shares were bought, sold, transferred or received to the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).
- Circulate a memorandum to the directors, managements to act in compliance with good practice of securities buying and selling and equitable access to information. Therefore, the Company seeks cooperation from the directors, managements and insiders (spouse, and underage children) to refrain

from buying and selling of shares in the period of 45 days before the disclosure of significant information or the date that the Company already notified information to SET as well as holding shares for at least 3 months after the last acquired date.

- Set up good corporate governance procedures for directors and staff in order to help them to perform ethically on the basis of responsibility, honesty, determination, and contribution to the Company. They also have to follow the Company's rules and regulations and corporate culture as well as performing any activities that will help to preserve the working atmosphere in order to drive the Company towards the excellent organization.

Self-Evaluation of Directors

The Company's Good Corporate Governance Handbook states that directors should carry out a performance self-evaluation at least once a year so that the Board of Directors can consider their performance and address any problems that occurred during the past year. The self-evaluation procedure also gives them the opportunity to consider the time they dedicated to perform their roles and helps to improve the relationship between the Company's Board of Directors and the management team. The directors' self-evaluation procedure is separated into 1. Group Evaluation and 2. Individual Evaluation.

1. The group evaluation consists of four main topics:
    1) Board Policy
    2) Board Composition
    3) Board Practices
    4) Board Meetings

    The overall group evaluation for above 4 main topics was "very good"
2. The individual evaluation consists of six main topics:
    1) Accountability
    2) Responsibility
    3) Equitable Treatment
    4) Transparency
    5) Vision to Create Long Term Value
    6) Ethics

The overall individual evaluation for above 6 main topics for majority of directors were "excellent"

Development of Directors and Executives

The Company's Board of Directors helps directors to understand their responsibilities and the nature of the Company's business by providing them with useful information as well as by circulating rules and regulations received from the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) to both current and new directors regularly as follows:

New Directors: Orientation is arranged for newly recruited directors in order to give them an overall picture of the nature of the Company's business and its business direction. As well, informing them about important and necessary information such as major shareholders, shareholding structure, operating performance, the Company's Articles of Associations, good corporate governance policies, Form 56-1 and the annual report, is provided as guidelines to enable them to perform their roles according to the Company's good corporate governance policies.

Current Directors: The Company encourages current directors with additional courses in order to increase their knowledge and understanding of the concepts of good corporate governance, rules and regulations as well as their roles and responsibility in managing their functions with efficiency and ethics, such as courses arranged by the Thai Institute of Directors (IOD). At the moment, 15 out of 17 directors have attended the Director Certification Program (DCP) and Director Accreditation Program (DAP).

Participation of Directors in Thai Institute of Directors' (IOD) Courses

Name-Surname	Director Certification Program (DCP)	Director Accreditation Program (DAP)	Finance for Non-Finance Directors (FND)	Role of the Chairman Program (RCP)	Audit Committee Program (ACP)	Role of the Compensation Committee (RCC)
1. Mr. Norkun Sittiphong	-	-	-	Class 21/2009	-	-
2. Mr. Prasert Bunsumpun	-	Class 26/2004	-	-	-	-
3. Mr. Aree Wongsearaya	-	-	-	-	-	-
4. Mr. Pala Sookawesh	-	Class 14/2004	-	Class 2/2001	-	Class 3/2007
5. Mr. Prajya Phinyawat	Class 14/2002	-	-	-	-	-
6. Mr. Virabongsa Ramangkura	Class 43/2004	-	-	-	-	-
7. Mrs. Jantima Sirisaengtaksin	Class 22/2004	-	-	-	-	-
8. Mrs. Puntip Surathin	Class 5/2001	-	-	-	Class 27/2009	-
9. Mr. Sommai Khowkachaporn	Class 27/2003	-	Class 5/2003	-	Class 4/2005	-
10.Mr. Lersuk Chuladesa	-	Class 63/2007	-	-	-	-
11.M.R. Pongsvas Svasti	Class 44/2004	Class 15/2004	-	-	Class 5/2005	-
12.Mr. Cherdpong Siriwit	Class 104/2008	Class 8/2004	Class 13/2004	Class 10/2004	Class 27/2009	-
13.Mr. Woothisarn Tanchai	-	-	-	-	-	-
14.Mr. Chitrapongse Kwangsukstith	Class 42/2004	-	Class 9/2004	-	-	-
15.Mr. Pichai Chunhavajira	Class 110/2008	Class 49/2005	-	-	-	-
16.Ms. Variya Wongprecha	Class 101/2008	-	-	Class 21/2552	-	-
17. Mr. Pailin Chuchottaworn	Class 51/2004	Class 24/2004	Class 14/2004	-	-	-

Succession Plan

The company's Board of Directors has set up a Succession Plan to ensure that the company has recruited suitable personnel for every management position and put in place a guideline to act on behalf of the President or executives when necessary. Furthermore, the Board of Directors has also support many training courses for person related with good corporate governance system to continually improve their working performance.

Company Secretary

In order to comply with the Securities and Exchange Act B.E. 2535 (edited version), section 89/15 and the company's good corporate governance policies, the company's Board of Directors agreed to appoint Mr.Chalermchai Somboonpakorn as Company Secretary, effective from 15 July 2008 to be responsible for organizing Board of Directors' and Shareholders' Meetings, monitor and coordinate to ensure the Board of Directors' resolution is properly implemented, provide advice on any laws, procedures that the Board of Directors must follow, keeping Company's important documents, as well as performing other activities stated by the Capital Market Supervisory Board.

In 2009, the company participated in a good corporate governance survey with the Thai Institute of Directors (IOD) and was evaluated as having excellent standards. The prominent achievement, for example, quality of Annual General Meeting of Shareholders' minute and the Company's environmental responsibility that the Company received ISO 14001, the Environmental Management System certificate. The Company has clear social responsibility and organized various social activities. The Company's AGM was also evaluated "excellent" by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). However, the Board of Directors still has the responsibility to consider and improve the company's good corporate governance policies to be more effective and concordant with changing situations in order to ensure that the company's management is effective, transparent, and accountable as well as able to create the highest benefits for shareholders and stakeholders in the future.

Internal control

IRPC recognized the importance of internal control with adequate and applicable risk management for the Company's operation and for effective corporate management with the ability to reduce or prevent possible risks that might cause damages to the Company's assets. In 2009, the Company's Board of Directors reviewed and evaluated the sufficiency of internal control system which conprises various aspects as follows:

1) Organization and the environment

The Company's Board of Directors encouraged the management and employees to recognize the importance of internal control by emphasizing honesty and ethics in business operation whereby systematic compliant system had been set up to assist the management to execute and support business objective effectively including developing good environment which will assist in creating effective and adequate internal control.

2) Risk Management

The Company set up Risk Management Committee to administer risk management of the Company. Evaluation is made regularly to assess any form of risk that the Company might encounter with analysis on the effect of risk and the possibility of occurrence in order to set up measures in minimizing risk at an acceptable level including monitoring on various units to ensure consistent adherence to the measures.

3) Management's Operational Control

The Company's Board of Directors supervises the operation of the management to ensure that operation is in accordance to the Company's business policy by designating clear power and authority for each level of management with stringent measures in assessing that business transactions are executed according to the law and put emphasis on abiding by safety, health sanitation and environmental law to minimize business risk and preserving reputation of the Company.

4) Information system and data communication

The Company oversees information system to ensure that it provide quality, sufficient and timely information to the Board of Directors, management, shareholders or related person in decision making. SAP program is used to jointly connect the Company's business information with real time processing and set up Disaster Recovery Center to protect information system in the event of disaster. In addition, Information Safety Committee has been set up to oversee and administer information safety policy which every employee has to abide by stringently.

5) Monitoring System

The Company's monitoring and auditing system consistently oversee if all units are performing in accordance to its set target. Internal control system still operates continually with regular revision and improvement to correspond with varying circumstances and ensure that deficiencies are rectified in a timely manner.

In conclusion, by evaluating the sufficiency of the Company's internal control system for the year 2009, no significant problem or deficiency has been found.

Report of the Corporate Governance Committee
(Translation)

Dear Shareholders,

IRPC gives priority to operating business with accountability, transparency and under the principle of good corporate governance to enhance the Company "to be Top Quartile Integrated Petrochemical Complex in Asia" with efficient and effective business management and jointly creating added value for the organization for the benefit of shareholders by considering all stakeholders for developing sustainable growth.

The Company had set forth its Good Corporate Governance Policy since 2007 as a guideline for directors, management and all employees of the Company to abide by and perform with utmost effort, transparency and accountability, its good corporate culture, virtue and for the maximum benefit of the Company.

The Board of Directors emphasized the importance of consistent follow up and evaluating the governance of the Company by assigning Good Corporate Governance Committee to designate policy and promote the adherence of the good corporate governance policy in accordance to the regulations stipulated by the Stock Exchange of Thailand and policy adopted by leading international corporation.

In 2009, the Good Corporate Governance Committee held 3 meetings to oversee the progress on corporate governance of the Company and can be summarized as follows:

1. Improve and amend the Good Corporate Governance Handbook to be accurate, updated and in accordance to the Securities and Exchange Act B.E. 2551 by revising the vision of the Company, appending directors' qualification, amending specific content concerning nomination of directors in relation to information disclosure and transparency and adding more channels for notification and complaints.
2. Set up public relations activities to promote good corporate governance culture.
    - Lecture on "Management's code of ethics" for high level management to set as good role model and to provide advice to subordinate by abiding the code of ethics and morality in accordance to good corporate governance.
    - Participated in PTT Group CG Day 2009 with exhibition and performance by fellow employees to emphasize and reinforce the understanding of good corporate governance to the employees.
    - Raise awareness on good corporate governance through various communication channels of the Company.
3. Information disclosure with transparency
    - Provide information on the operation and performance of the Company to investors, local and foreign securities analysts with the participation in events such as Money Expo, SET in City and quarterly Analyst Meeting by our Investor Relations Department. In addition, information is also presented via the Company's website.
4. Support for Stakeholders
    - Shareholder: the Company represented by Investor Relations Department organized plant visit for 216 shareholders with the opportunity to meet and understand the progress and operation of the Company to enhance the sense of ownership and develop mutual amiable relationship.
    - Employees: The Company recognized the importance of human resource management and development and set up policy which commenced in October 2009 for the advancement and

placement of employees to enhance sustainable growth and development hand in hand with the growth of the Company.

- Business Partners: The Company's procurement department set up Business Partners Code of Ethics in relation to procurement and implemented since August 2009 to be used as a guideline for procurement to perform work with honesty and transparency.
- Environment: The Company understands the importance of natural resources management and supports that protection and preservation of environment should consistently be carried out hand in hand with business operation. The Company set up environmental management policy for the Company and subsidiaries to use as a guideline in business operation which was implemented since July 2009.
- Communities and Society: Corporate Communication and Social Responsibility Division organized community relations by arranging 2 visits for local leader, communities, civil servants and stakeholders to visit the refinery, power plant, port, and operating area totaling 576 people.

5. Development of roles and duties of director
    - Promote and arrange for directors to attend training courses for directors organized by Thai Institute of Directors and other related institutions.
    - Reviewed evaluation form on the performance of the Company's Board of Directors for the year 2009, both individually and for the entire board of directors to be in accordance to good governance with the emphasis to utilize the evaluation result for the improvement of the Company's Board of Directors' performance and to be compatible with international standard.

With our relentless effort and continuous development on Good Corporate Governance, the Company has been evaluated by good corporate governance of listed company assessment organized by Thai Institute of Directors (IOD) whereby the Company achieved the overall score of "excellent". This clearly reflected IRPC's determination in fostering good corporate governance.

Jantima Sirisaengtaksin

(Mrs. Jantima Sirisaengtaksin)

Chairman of Corporate Governance Committee