

*Revised 2015*

Corporate Governance Handbook

IRPC Public Company Limited

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## IRPC Plc announcement

IRPC Plc has defined a corporate governance (CG) policy for its Board of Directors, executives, and employees of the Company including its subsidiaries, associates, and other companies within its control to observe as practical guidelines to promote IRPC as an efficient company marked by good CG and operational excellence, business righteousness, free of fraud, transparent, and open to scrutiny.

Since September 2007, IRPC has announced its CG principles and issued a handbook for the Board, executives, and employees to acknowledge and apply as their practical guidelines, demand as a discipline. All along, the principles have secured all parties' acceptance. The first revision was made to the handbook in 2009. Details and practical guidelines have undergone annual reviews in line with emerging IRPC regulations and development. The Board has now undertaken the second revision to the handbook so as to align with the version of the CG principles for listed companies together with the ASEAN CG Scorecard.

To show IRPC's commitment to observing the essences of this second revision, all personnel of IRPC, its subsidiaries, its associates, and other companies within its control are being asked to acknowledge, master, and accept these practical guidelines to maintain IRPC's CG.

Chairman of the Board

(m/d/y)

	Mr. Sukrit Surabotsopon
Chairman, Corporate Governance Committee	President

## **Vision**

To become a leading integrated petrochemical complex in Asia by 2020.

## Corporate governance (CG) policy

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

1. The Board, executives, and employees are committed to applying the key CG principles to their work, namely
  - 1.1 Creation of long-term value
  - 1.2 Responsibility for job performance with adequate competency and efficiency
  - 1.3 Equitable treatment of stakeholders, meaning fair and answerable treatment
  - 1.4 Accountability for decision-making and actions
  - 1.5 Transparency of execution and information disclosure
  - 1.6 Ethics of business execution and a code of conduct.
2. The Board is dedicated, responsible, and independent, with clear segregation of roles between the Chairman and the President
3. The Board plays a key role in defining IRPC's vision and key strategies, policies, and plans, taking into account risk factors and laying down suitable management approaches, while ensuring that accounting, financial, and audit systems are credible
4. The Board plays a key role in defining an anti-corruption policy and key relevant mechanisms so as to prevent fraud and represent IRPC's practical guidelines leading to a corporate culture. The Board oversees the prevention and resolution of conflicts of interest and connected transactions
5. The Board must lead in ethics and observance of IRPC's CG approach
6. The Board may appoint suitable *ad hoc* committees/ Sub-Committees to support its deliberation of key matters
7. The Board must hold annual self-assessment to frame the scrutiny and improvement of its performance
8. The Board sets IRPC's code of conduct for itself, executives, and employees and otherwise to apply as their practical guidelines in tandem with IRPC's regulations

9. IRPC discloses financial and non-financial information adequately, credibly, and promptly so that shareholders and stakeholders may obtain information in a fair manner. A public relations unit and an investor relations unit are in place to distribute such information among investors and the public
10. IRPC's shareholders are entitled to fair treatment and access to information, as well as suitable communication channels with IRPC
11. A personnel recruitment system is in place for all key executive positions along with a transparent and fair recruitment process.

## Section 1: General

### 1. Principles and rationales

Recognizing the value of good CG to provide management systems that are righteous, transparent, and open to scrutiny and boost confidence among shareholders, investors, stakeholders, and all related parties, IRPC has issued this CG Handbook to frame business execution by the Board, executives, and employees of IRPC, subsidiaries, associates, and other companies within its control so that they may acknowledge and apply its principles for the optimal benefit of the shareholders and stakeholders together with overall regard for society and the environment.

#### 1.1 Significance of Corporate Governance

- 1.1.1 Strengthen management systems that are sound, transparent, and international-standard, which will supplement IRPC's competitiveness, while preventing and resolving potential conflicts of interest
- 1.1.2 Boost confidence among domestic and foreign investors together with shareholders, and support IRPC share value appreciation
- 1.1.3 Measure IRPC's performance outcomes and help audit job performance for greater efficiency
- 1.1.4 Establish framework of responsibility for the Board and executives toward all stakeholders, while obliging the Board and executives to exercise sensible power.

#### 1.2 Practical guidelines of CG Handbook

- 1.2.1 The CG principles together with the code of conduct and best practices are regarded as a discipline that all personnel must master, commit to, and observe
- 1.2.2 If these principles are violated, as confirmed by fair investigation, IRPC will mete out disciplinary measures or take legal measures, or both, as seen appropriate
- 1.2.3 IRPC expects all its personnel to honestly report to their superiors' practices that violate or may violate these principles or seek guidance from Corporate Affairs, Office of Corporate Internal Audit, or Corporate Human Resources & Administration. Such action is to be treated as confidential by IRPC and superiors in conformance to the principles and code of conduct
- 1.2.4 These CG principles should occasionally undergo suitable modification for comprehensiveness. When in doubt about conforming to this handbook, one can exercise one's own preliminary discretion by answering whether the given action
  - Is the right thing to do
  - Is socially acceptable if disclosed
  - Brings disrepute to IRPC.

Alternatively, one can direct one's questions to the responsible unit or Corporate Affairs.

## **Section 2: IRPC Corporate Governance Principles**

The Board intends to promote IRPC as a business concern marked by efficiency, CG, and operational excellence—focusing on optimizing benefit for the shareholders with due regard for stakeholders as a whole—while remaining righteous in business conduct, free of fraud, transparent, and open to scrutiny.

With this in mind, the Board has defined a CG policy for its Board of Directors, executives, and employees to observe as practical guidelines and for all its personnel to adopt a positive attitude, learning behavior, creative development, and an awareness of responsibility to society at large. The essences of such principles are as follows:

- 2.1 Key CG principles
- 2.2 Composition, qualifications, and appointment of the Board
- 2.3 Independence of the Board
- 2.4 Roles of the Board
- 2.5 Appointment of subcommittees
- 2.6 Board meetings and acquisition of documents
- 2.7 Board assessment
- 2.8 Compensation for the Board and the President and top management
- 2.9 Code of conduct for the Board, executives, and employees
- 2.10 Information disclosure and transparency
- 2.11 Audit Committee and external auditor
- 2.12 Risk management
- 2.13 Shareholders' rights and equitability
- 2.14 Roles toward stakeholders
- 2.15 Anti-corruption policy, preventive measures, and whistleblowing
- 2.16 Succession plans
- 2.17 Corporate responsibility for sustainable growth.

## 2.1 Key CG principles

CG means the structuring and internal management mechanisms to establish relationship among the Board, executives, employees, and shareholders, primarily to bring optimal benefit for shareholders with due regard for stakeholders as a whole. Such structuring and management mechanisms must reflect the following key principles:

2.1.1 Creation of long-term value

2.1.2 Responsibility

2.1.3 Equitable treatment

2.1.4 Accountability

2.1.5 Transparency

2.1.6 Ethics.

## 2.2 Composition, qualifications, and appointment of the Board

The Critical Part CG is the Board of Directors, which must consist of director members that are knowledgeable, skilled, and experienced for IRPC's business interests. The Board must fully dedicate their time to fulfilling their duties. To this end, IRPC has defined the Board's composition and key qualifications, as well as their appointment, as follows:

2.2.1 The Board consists of 5-15 directors

2.2.2 Professional independent directors must number at least one-third of the Board or at least three

2.2.3 Directors may be up to 70 years of age

2.2.4 A director can serve up to three successive terms (nine years).

2.2.5 Director shall hold board seats in not more than five publicly Thai listed companies.

2.2.6 To obtain the right blend of essential competencies, directors come from various disciplines. Ideally, they should consist of at least three of those knowledgeable in the petroleum and petrochemical businesses, at least one knowledgeable in law, and at least one knowledgeable in accounting or finance; taking into account, as stipulated in the nomination policy and criteria, of educational background, skill management in such function, and well-achievement and recognition acceptable in comparable scale of business.

2.2.7 Directors must be duly qualified and must not have forbidden qualities under the Public Company Limited Act and the Securities & Exchange Act, and must command trustworthiness

2.2.8 Appointment of directors must be transparent. The Nomination and Remuneration Committee must recruit and nominate suitable persons without any discrimination especially in gender, race or religions and provide adequate profiles for the Board's decision-making. The Board then forwards such names for the shareholders'

decisions. The Board is entitled to appoint / directors in case of replacement of those that resign before ending their terms.

2.2.9 The profiles of all directors must be disclosed, including each time there is a change in Board composition

2.2.10 Newly appointed directors should be briefed on essential data supporting board role and performance within three months of the appointment dates.

### 2.3 Independence of the Board

2.3.1 For the Chairman to exercise his or her Board leadership, while efficiently and effectively controlling execution of the management, he or she must not be the same person as the President. To this end, IRPC must clearly define separate roles between those of the Chairman and the President

2.3.2 The Board must consist of competent independent directors coming from outside IRPC. These directors must enjoy adequate access to financial and business data to express their free views, maintain the interests of relevant parties, regularly attend Board meetings, and issue reports certifying their independence upon their appointment

2.3.3 Independent directors must command the qualifications under the announcements of SEC and SET on the qualifications and the scope of work of audit committees in addition to other qualifications specified by IRPC (See definitions in the Appendix.) so that they may look after the interests of all shareholders in a fair manner, while ruling out conflicts of interest among IRPC and its executives or major shareholders, or other companies with the same groups of executives or major shareholders. Independent directors are expected to also freely express their views at meetings.

### 2.4 Roles of the Board

For IRPC to efficiently strengthen its CG, the Board plays key proactive roles described as follows:

2.4.1 Dedicate time and value the establishment of IRPC's vision, directions, and strategies by collectively expressing views, while seeking helpful information for such directions and reviewing potential risk issues to ensure that executives can apply such vision, directions, and strategies to efficiently achieve outcomes

2.4.2 Revise and endorse key strategies and policies, objectives, financial goals, and assorted plans, while regularly following up on executives' plan implementation under defined corporate directions and strategies

2.4.3 Establish accounting systems, financial reporting, and credible account audits, while ensuring processes for assessing the efficiency and effectiveness of internal controls and internal audits

2.4.4 Institute reviews of risk factors and comprehensively define risk management approaches. Ensure that executives employ efficient systems or processes for risk management and seek business opportunities arising from such risks

- 2.4.5 Oversee and resolve potential conflicts of interest and connected transactions, with a focus on key ones and optimal interests for shareholders and stakeholders as a whole
- 2.4.6 Institute suitable systems or mechanisms for executive management compensation for their short-term and long-term incentives
- 2.4.7 Require that the President's appointment to directorships at other companies be consented by the Board, and that senior executives' appointment to directorship be consented by the President, except for directors' appointment of affiliates or joint ventures proportional to equity shares or agreed by joint-venture agreements, which is the prerogative of the Executive Committee
- 2.4.8 Regularly assess the President's performance and decide his or her compensation in line with the President's performance outcomes
- 2.4.9 Institute suitable communication channels with each group of shareholders, with assessment of information disclosure to ensure accuracy, clarity, transparency, credibility, and high standards
- 2.4.10 Be role models for work behavior in line with IRPC's CG and CSR approach
- 2.4.11 Endorse IRPC's actions in support of anti-corruption in all forms in the best interests of IRPC's businesses and stakeholders
- 2.4.12 Appoint a company secretary that is duly qualified by law to serve under the Securities and Exchange Act.

## 2.5 Appointment of Subcommittees

To ensure prudent, efficient screening of significant matters, the Board has appointed four *ad hoc* subcommittees (more often referred to as committees):

2.5.1 Audit Committee: This group of at least three independent directors of the Board, appointed by the Board, must command qualifications of independence under the relevant announcement of the Capital Market Supervisory Board on the qualifications and scope of work of audit committees. It is responsible for examining/supervising IRPC's business conduct and overseeing financial reports, the internal control system, selection of the external auditor, conflicts of interest, and sufficient risk management. At least one member must command adequate experience for reviewing the credibility of financial statements. (See the charter in the Appendix.)

2.5.2 Corporate Governance Committee: The group of at least three directors of the Board, at least one of whom is an independent director, is responsible for reviewing and proposing practical guidelines; advising the Board on CG matters; and overseeing CG activities under Board-defined approaches. (See the charter in the Appendix.)

2.5.3 Nomination and Remuneration Committee: This group of at least three directors of the Board, at least one of whom is an independent director, is responsible for nominating directors and the President under sound,

transparent criteria and deciding compensation approaches for the President under fair, sensible criteria for approval by the Board and shareholders' meetings (See the charter in the Appendix.)

2.5.4 Risk Management Committee is responsible for defining corporate risk management policy, implementation plans and process; developing overall risk management system; considering principles of financial instruments and derivative agreement; and monitoring, appraising, giving support in line with corporate business plans. The risk management report shall be regularly presented to the Board.

## 2.6 Board meetings and acquisition of documents

2.6.1 The Board should dedicate time to focus on IRPC businesses, while remaining prepared to attend regular meetings; in fact, directors should attend all meetings. The meeting quorum is half the composition of the Board. Two third of the Board member shall be in the meeting during the time of resolution.

2.6.2 Board meetings are held monthly as a minimum, with directors attending a minimum of 75% for the year. If a director must be absent, he or she should notify the Chairman in writing

2.6.3 The President, as secretary to the Board, is in charge of meeting agenda arrangement, whereas the Chairman calls each meeting. Both jointly review the choice of agenda items for each meeting to ensure that all essential matters have been included. Each director is free to nominate matters for the agenda

2.6.4 The Chairman must ensure that the Board has allocated enough time for the management's data presentation as well as the Board's deliberation of essential matters

2.6.5 The Chairman should spell out clear measures for directors' receipt of relevant information well ahead of time to study, review, and decide judiciously on assorted matters during each Board meeting

2.6.6 The Board may request documents, data, advice, and other services concerning IRPC's businesses from senior management in support of each Board meeting and can request external advisers' views if necessary at IRPC's expenses

2.6.7 Directors with potential vested interests on any agenda item must abstain from voting and must not provide views on that item

2.6.8 For future references, recording of meeting minutes must be explicit in both meeting outcomes and views of the Board

2.6.9 The Company Secretary is responsible for arranging Board meetings, providing necessary advice to the Board, and briefing newly appointed directors

2.6.10 The Company Secretary serves as an information clearing house for key documents and data, including director registration, meeting notices, and minutes of the Board's and shareholders' meetings; ensuring the orderliness of shareholders' meetings; and representing IRPC at external meetings to help IRPC's businesses run smoothly.

## 2.7 Board Assessment

The Board must evaluate itself annually by assessing the Board as a whole, individual self-assessment, and cross-assessment of other directors, subcommittees to frame the Board's performance scrutiny. The assessment by external person shall be on appropriate time interval every three years. These findings appear in the annual report.

## 2.8 Compensation for the Board and the President

2.8.1 The Nomination and Remuneration Committee is responsible for advising the Board on the compensation for the Board and the President, specifically its structure/components, which should be marked by:

- Fairness in keeping with responsibilities and performance outcomes
- Enough attractiveness, or at least attractiveness on a par with that of peer industries, to retain quality directors
- Clarity, transparency, and simplicity of compensation structure/components.

2.8.2 The Board must submit the policy on directors' and senior management compensation, principles and rationales, and Board compensation in the annual report and financial statement as required by SEC.

## 2.9 Code of conduct for the Board, executives, and employees

To illustrate IRPC's desire to do business with transparency, righteousness, and responsibility toward stakeholders, society, and the environment, IRPC has defined a code of conduct to guide the conduct of the Board, executives, and employees in parallel with its regulations, detailed in Section 4 of the "Code of Conduct for the Board, Executives, and Employees" handbook and summarized below:

2.9.1 The Board should conscientiously represent the shareholders with due regard for IRPC's sustainable growth, continually suitable returns, competent management with integrity and prudence, non-affiliation with politics, freedom in decision-making and action—all these without vested interests posed by related businesses or businesses competing with IRPC—and commitment to the prevention and elimination of all forms of fraud

2.9.2 Executives and the rank and file should be committed to developing and promoting a teamwork culture, satisfying customers, conducting fair and honest business, being aware and concerned about the safety of society, the surroundings, and the quality of life of the public, while performing their duties responsibly, with integrity and commitment with IRPC's interests at the top of their mind.

## 2.10 Information disclosure and transparency

2.10.1 The Board is responsible for disclosing financial and other information adequately, credibly, and promptly to give shareholders and stakeholders such information on equal footing as specified by law, company regulations, and regulations of relevant public agencies, and in line with IRPC's disclosure policy .

2.10.2 IRPC's information must be prepared in a prudent, clear, accurate, and transparent way using concise and simple language and disclosing material information regularly, both positive and negative

2.10.3 In place is a public relations unit, responsible for distributing useful information for investors, employees, related parties, and the public. Also in place is an investor relations unit, responsible for IRPC's communication with the shareholders, financial institutions, and securities analysts

2.10.4 The Board is responsible for presenting an assessment of its status and outlooks in a simplified summary contained in the annual report

2.10.5 The Board must ensure preparation of balance sheets, profit and loss accounts, and the external auditor's report along with its own annual report for approval at the annual general meeting (AGM) of shareholders

2.10.6 The Board must prepare a report on its own responsibility for financial report preparation alongside the external auditor's report in the annual report

2.10.7 The Board may put in place an essential management report for analytical purposes in assorted forms in addition to financial reports and audit reports

2.10.8 The Board must prepare and disclose

- The securities profiles for themselves, their spouses, and their children not yet of age in such companies, as well as any change in such profiles, for SEC's information under the SEC-specified criteria and methods
- Reports of vested interests for themselves or related parties, meaning such interests in the management of IRPC or its subsidiaries under the criteria, conditions, and methods specified by the Capital Market Supervisory Board.

2.10.9 Each year the Board must disclose the attendance records of its directors or subcommittee members, or both, in comparison with the total meetings of the Board or subcommittees, or both, in the annual report

2.10.10 IRPC must define its policy and practical guidelines for dealing with rumors or leaked information to minimize impacts on itself.

## 2.11 Audit Committee and external auditor

2.11.1 The Audit Committee and the Office of Corporate Internal Audit are responsible for controlling and auditing IRPC's internal business execution

2.11.2 The Board sets a formal, transparent system for maintaining its relationship with the external auditor and the internal auditor, coordinated by the Audit Committee

2.11.3 The external auditor must annually certify its independence to the Audit Committee by reporting on assorted applied procedures at its office

2.11.4 The external auditor may review the Board's reports or other financial reports in parallel with its audited financial statements, and may report irregularities found in such reports that conflict with their audited financial statements

2.11.5 The audit fees and other fees paid to the external auditor are disclosed separately in the financial statements for greater transparency about the external auditor's independence.

## 2.12 Risk Management

2.12.1 The Board requires that the Audit Committee be responsible for identifying sufficiency and propriety of corporate risk management system.

2.12.2 The Board requires that the Risk Management Committee be responsible for defining risk policy, developing risk management plans and system, and following up the achievement as outlined by the Board.

2.12.3 The Board requires that a corporate risk management committee be set up at the management level to directly inspect and oversee risk management practices, including financial, operation, business, and event risks. This committee then reports quarterly to the Audit Committee and Risk Management Committee for review before the Board's eventual review

The corporate risk management committee must institute an assessment of risks together with their trends affecting IRPC (both internally and externally) and must commission a risk management report for the Board's review in addition to a business continuity management plan.

## 2.13 Shareholders' rights and equitability

2.13.1 The Board takes shareholders' meetings seriously, treating all shareholders fairly and avoiding deprivation of their rights to access IRPC information and attend shareholders' meetings

2.13.2 All shareholders should enjoy equal opportunities to express views and pose questions under the meeting agenda and items. The Chairman must allocate enough time for such discussion, while encouraging expression of views and questions

2.13.3 Shareholders should be entitled to vote separately on each agenda item

2.13.4 All directors of the Board, particularly the Chairman and the Audit Committee Chairman, must attend the shareholders' meetings to address participants' questions; the chairmen of other subcommittees should also do the same

2.13.5 IRPC allows shareholders having a minimum shareholding (individual or combined) of 4%.

to propose agenda items as well as candidates to be nominated as directors at least three months before the end of the fiscal year .

#### 2.14 Roles toward stakeholders

2.14.1 The Board should earnestly maintain the balance of interests among all stakeholders by grouping stakeholders and seeing to it that communication channels are duly in place with each group

2.14.2 The Board should report data illustrating IRPC's due regard for its stakeholders in all its decision-making.

#### 2.15 Anti-corruption policy, preventive measures, and whistleblowing

The Board defines an anti-corruption policy, complete with relevant measures, complaint and grievance channels, and protective measures for whistleblowers, as detailed in Section 3 of this handbook.

#### 2.16 Succession plans

The Board must ensure that IRPC sets human resource management plans and recruitment systems effectively for all key administrative/management positions. In recruiting the President, a selection process for external as well as internal recruitment prevails.

#### 2.17 Corporate Responsibility for Sustainable Growth

The Board of Directors must ensure that the Company conducts its business in a transparent and auditable manner. The Board builds trust and confidence and takes part in forming a tangible and sustainable future of coexistence of the community and the environment, driven by leadership, innovation and operational excellence to cover three dimensions as follows:

**Economic:** The Company recognizes the importance of value creation of the overall business and economics, for example, supply chain management, investment and management of large-scale project.

**Environmental:** The Company is committed to implement their operation that prevents environmental impacts and climate change. More importantly, it aims to develop excellent and environmental friendly products.

**Social:** The Company realizes the provision of occupational health and safety for the community and the society at large and undertake CSR activities to uplift quality of life and economic. The Company aims to be a role model of good corporate citizenship. Most importantly, it enhances the quality and values of its human resources consistently.

## **IRPC's Sustainability Management Policy**

IRPC strives to be the leader in the business-based approach to sustainable development by “building trust and confidence among stakeholders through operational excellence, transparency and continuous innovation development” for a sustainable future of society and the environment. IRPC's Sustainability Management Framework is provided as foundation for its practice across the organization and in line with international standards.

Key attributes of the Policy are:

1. Operate in an economically, socially and environmentally sustainable manner whilst balancing the interests of a diverse range of stakeholders to assure sustainable business growth.
2. Reduce the footprint of environment, social and health and safety dimensions along the value chains in which we operate.
3. Develop Green Growth Strategies focusing on economic and environmental.
4. Inspire innovation and technical development to shape sustainable future for IRPC.
5. Be transparent about our sustainability commitments and the standards we set for our businesses to operate and performance as the basis to drive continuous improvement
6. Embed employees to be aware of responsibilities towards all stakeholders in order to create sustainable culture

Every management member and employee of IRPC is responsible for contributing, driving, and executing IRPC's Sustainability Management Policy Framework.

### Section 3: Anti-corruption policy

The Board of Directors of IRPC Plc values a management style marked by knowledge, experience, righteousness, and ethics, all of which enable it to successfully achieve its goals and become a credible, trusted company among its stakeholders. To this end, IRPC has defined the following anti-corruption policy.

#### *Anti-Corruption Policy*

##### *IRPC Plc*

*IRPC conducts its businesses under corporate governance, striving for management filled with efficiency, righteousness, and transparency with due regard for the optimal interests of the shareholders, stakeholders, and related parties in commercial transactions. To this end, IRPC requires that its units, subsidiaries, associates, and other companies within its control observe the following anti-corruption policy:*

- 1. The Board, executives, and employees resist corruption in all forms, directly and indirectly, whether through offers, promises, requests, demands, giving or acceptance of bribes, or behavior bordering on fraud in all areas where IRPC operates*
- 2. IRPC will publicize this internally and externally to promote understanding and cooperation in stopping would-be fraudsters against IRPC*
- 3. IRPC will establish explicit processes of dealing with fraud, that is, risk assessment of fraud and regular monitoring and review, so as to keep up with changes in businesses and relevant legislation*
- 4. IRPC will fairly treat and protect employees that refuse or alert the company about fraud through proper channels. On the other hand, fraudsters will face disciplinary actions under IRPC's regulations.*

*To demonstrate its determination, which would lead to sustainable corporate development, IRPC has become a signatory of the Collective Action Coalition Against Corruption.*

The Board define practical guidelines on anti-corruption for the Board, executives, and employees to observe as a corporate culture against business fraud, including giving and acceptance of bribes (directly and indirectly), detailed as follows:

### 3.1 Definition

Corruption means all forms of bribery as a means to offer, promise, give, pledge or demand properties, money, or other undue benefits from officers of public or private agencies, and business partners, among others. It includes exploitation of one's own title and work-related data for one's own interests or the interests of one's companions and others in exchange for duty performance or avoidance in exchange for undue business benefits. An exception applies when such action or inaction is allowed by laws, regulations, announcements, requirements, local customs, or trade practices.

### 3.2 Forms of Corruption

3.2.1 Political help means financial or other help, including contribution of articles, service, promotional advertisements or advertisements in support of political parties, purchase of tickets to fund-raising events or donation to organizations closely related to political parties, and permission for employees to take leave without pay or participate in political campaigns.

Under its policy, IRPC is politically neutral and supports compliance with the law and democratic rule. The Board, executives, and employees enjoy their legal rights and political freedom, but should not do things to harm IRPC's reputation and businesses.

3.2.2 Charitable donations are donations of which IRPC's goals are clearly to support communities and society to drive the economy for lasting growth. All charitable donations must benefit public charities and be clearly documented in line with IRPC's regulations, since donation represents spending without tangible returns and is often a means for fraud

3.2.3 Sponsorships mean spending for business objectives, branding, or corporate reputation. Since sponsorships may be linked to bribery, IRPC must define a policy and criteria for approval, approval authority, review, and suitable, continual assessment of sponsorships to ensure genuine benefit to relevant activities or society.

3.2.4 Gifts, hospitality, and other expenses are also channels of fraud risks, since the giving or acceptance of these items could be construed as bribery and establishment of relationships leading to business cooperation. IRPC must therefore define a policy and criteria, while informing employees to understand and exercise caution in giving or accepting gifts, hospitality, and service fees. These must not influence work-related decisions or produce conflicts of interest.

### 3.3 Organizational structure and responsibilities

IRPC's management structure focuses on all stages of CG and spans all channels of business execution, with monitoring of key operation required by law and regulations to produce transparent management and

eliminate fraud. Its management is interconnected for the optimal benefit of shareholders and stakeholders as a whole. Responsibilities are as follows:

### 3.3.1 Board of directors

The Board is responsible for defining the anti-corruption policy, delegating and overseeing tasks for the management to execute in an efficient way, and providing constant support so that all employees may be aware of and value this policy to the point of becoming a corporate culture.

The Board appoints *ad hoc* committees (subcommittees) to screen key tasks and oversee such tasks comprehensively while preventing fraud, namely the Audit Committee, Corporate Governance Committee, Executive Committee, and Nomination and Remuneration Committee. The Risk Management Committee (Management Level) report to the Audit Committee. Future subcommittees could be appointed.

### 3.3.2 Audit Committee

This committee is responsible for reviewing the internal control system and reporting its findings to the Board and stakeholders, with the Office of Corporate Internal Audit supporting audit work and compiling the findings. Once IRPC can regularly control, monitor, and assess conformance to the internal control system, overall performance can become efficient and effective, while achieving goals.

Key internal controls to lower the probability of fraud consist of the control environment, suitable risk assessment processes, control activities, an ICT system, a transparent corporate culture, and monitoring and assessment.

### 3.3.3 Corporate Governance Committee

This committee is responsible for proposing practical guidelines and providing advice on CG. Once the Board, executives, and employees strictly conform to the CG Handbook, IRPC's anti-corruption policy is likely to succeed.

### 3.3.4 Nomination and Remuneration Committee

This committee is responsible for nominating directors, subcommittee members, and the President and for reviewing their compensation for the Board. Once the nomination of personnel and compensation decisions are based on conscientious, fair, and credible information under internationally accepted rules, outcomes are likely to truly benefit IRPC and its shareholders.

### 3.3.5 Risk Management Committee (Management Level)

This committee is responsible for defining a policy and goals for corporate risk management and mastering all aspects of businesses so as to manage corporate risks efficiently and promptly. Made up of senior executives from all groups, the group constantly monitors risk management practices, including those concerning possible IRPC-related fraud, and tables its findings to the Audit Committee for review and recommendations for IRPC's best interests.

### 3.3.6 The Management

Management hierarchy prevails throughout the company, with the President serving as the chief executive. Definition of structure, scope of responsibility, and clear, efficient approval authorities drive business in a watertight, transparent, and verifiable way and provide good internal control to lower the probability of fraud. Besides, systematic and fair human resource management bolsters confidence while lowering selfish behavior.

### 3.4 Anti-corruption measures

It takes the awareness of the Board, executives, and employees of the significance and value of anti-corruption measures to ensure successful anti-corruption efforts. Such measures are as follows:

- 3.4.1 The Board, executives, and employees are responsible for constantly conforming to IRPC's anti-corruption policy and CG while refraining from engagement in direct or indirect fraud
- 3.4.2 The Board, executives, and employees are responsible for being proactively alert by reporting dubious actions to their superiors or using IRPC-designated channels, and cooperating with investigators, including provision of evidence and documents
- 3.4.3 The Board, executives, and employees who violate the anti-corruption policy and CG must be punished under IRPC's regulations or by law. Though IRPC may lose business opportunities resulting from employee refused to engage in fraud, IRPC will not demote, punish, or adversely act against him or her
- 3.4.4 IRPC will treat fairly and protect employees as well as cooperative parties who refuse to engage in fraud or make such fraud known. It will apply whistleblower protective measures or measures under IRPC's policies or as stated by the law
- 3.4.5 IRPC communicates its anti-corruption policy and CG, and provide assorted channels for whistleblowing or complaint-making inside the company, including its orientation sessions for new directors and employees, seminars, training, the intranet, CG activities, and the President Meets Employees activity
- 3.4.6 IRPC communicates its anti-corruption policy and CG, and provide assorted channels including but not limit to the IRPC website, annual report, media meetings with executives, and meetings with business-related parties for complaint-making to the public, subsidiaries, associates, other companies within its control, agents, business partners, and other stakeholders.
- 3.4.7 IRPC's key operating processes and procedures are as follows:
  - 1. Watertight disbursement rules, with clearly defined ceilings, an approval authority table, and objectives. Payees must have accurate, clear supporting documents
  - 2. Sales and marketing standard operating procedures (SOPs), featuring risk assessment and mitigation of key risks along with regular reviews and performance monitoring

3. Procurement management SOPs, including bidding, agreement drafting, and choice of suitable business partners. In place is a risk assessment regime of updated business partners' potential in support of decision-making for IRPC's optimal benefit. Everyone's performance must abide by the company's procurement rules, which are routinely revised
4. Transparent, fair human resource management SOPs, which prevent fraud in recruitment, orientation, training, performance assessment, rewarding, promotion, and punishment
5. A strong focus on operation marked by standardized, commonly accepted internal controls, including preparation of department job manuals for employees to abide by for uniformity. Sound internal control produces reasonable confidence in business efficiency, credibility of financial reports, and compliance with the law and regulations
6. Top priority for risk management to prevent and lower business fraud incentives, marked by risk assessment and analysis, together with decision-making on risk significance and mitigation measures. The Risk Management Committee also constantly monitors risk management plans to align risk management with IRPC's operational management and achieve goals
7. A standardized internal control system, marked by preparation of audit plans based on key risks, business environment, and senior executives' views. Internal control therefore encompasses the operation of all units as planned and supports detection of defects for prompt resolution, thus narrowing gaps in internal control leading to fraud
8. Data recording and compilation systems that are always ready for auditing, complete with adequate, complete supporting documents at every stage
9. Regular reviews of anti-corruption measures undertaken by assigned parties for the review of the Corporate Governance Committee and the Audit Committee, which will provide recommendations to boost confidence in their adequacy and effectiveness.

### 3.5 Whistleblowing and Complaint-making

The Board has set up channels for whistleblowing and complaint-making from those outside and inside IRPC about wrongdoings against the law and the code of conduct or behavior bordering on fraud or malfeasance by all IRPC personnel and other stakeholders. The Board's mechanisms for protecting whistleblowers raise the efficiency of safeguarding IRPC's interests. Below are the details.

#### 3.5.1 Whistleblowing and complaint matters

1. Illegal deeds, corrupt practices, violations of IRPC regulations or the code of conduct by the Board, executives, and employees
2. Matters detrimental to IRPC's interests or reputation

3. Major flaws in financial reports and the internal control system.

All these matters will be initially verified. If data and supporting evidence are available, further action will be taken under IRPC's written procedure.

#### 3.5.2 Whistleblowing and complaint channels

1. Email at [auditor@irpc.co.th](mailto:auditor@irpc.co.th)
2. Regular mail: Chairman, Audit Committee

IRPC Plc

555/2 Energy Complex Building B, 6<sup>th</sup> floor

Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900.

3. Mail Box : Mail Box No.35, Sun Tower Building, Bangkok , 10905; or other mailbox as provided by the Company.

#### 3.5.3 Protective measures

1. Data about whistleblowers and complaints must be kept confidential, with punitive measures against leakers if such data are disclosed
2. Access to data about whistleblowers and complaints is limited to assigned parties.

#### 3.5.4 Inquiries

For more details about IRPC's anti-corruption policy, please call Corporate Affairs at 02-6497937, 02-6497391.

## **Section 4: Code of conduct**

### 4.1 Code of business conduct

IRPC has defined good practices on various matters concerning CG principles for the Board, executives, and employees to apply as their practical guidelines, covering

- 4.1.1. Human rights and treatment of employees
- 4.1.2. Communities, society, environment, health, and safety
- 4.1.3. Giving and acceptance of properties or other benefits to influence decisions
- 4.1.4. Conflicts of interest of IRPC's transactions
- 4.1.5. Purchase of IRPC securities and use of inside information
- 4.1.6. Compliance with the law and regulations
- 4.1.7. Application of IRPC's properties, data, information technology (IT), and intellectual properties and their stewardship
- 4.1.8. Treatment of customers and product quality / market communications
- 4.1.9. Treatment of contractual partners (business partners & creditors)
- 4.1.10. Treatment of commercial competitors.

#### 4.1.1 Human rights and treatment of employees

1. Respect for human rights without bias for or against similarities or differences in nationality, religious belief, gender, age, educational background, or status, including respect for individual rights and liberty and protection of personal data
2. An assessment system, performance awards, and rewards and punishment based on fairness, without bias and accountable
3. Constant provision of opportunities for and recognition of the value of skill and competency development of all employees, while instituting succession plans for all key positions
4. Application of criteria for employee competency, suitability, and performance as indicators for appointment and transfers with judicious, fair, and accountable assessment
5. Promotion of employees' life balance by encouraging creative, wholesome activities (both physically and mentally) for a good quality of life for employees and their families, communities, societies, and country
6. Processes for resolving employees' grievances, with explicit procedures, processes, and mechanisms.

#### 4.1.2 Communities, society, environment, health, and safety

1. Proper, complete compliance with QSHE legislation, in line with the management manual, including the drive for implementation of international-standard business management systems
2. Design and selection of clean technologies for production processes under environmental engineering and safety principles, together with systematic management of hazardous chemicals and surplus materials
3. Audit, monitoring, and assessment of performance outcomes to lower environmental, occupational health, safety, and community environmental impacts
4. Communication, understanding, and cooperation in prompt, open information disclosure with communities and society, investors, shareholders, and the interested public about IRPC's status and operation-related facts
5. Economical, efficient consumption of resources and energy for the benefit of natural and environmental equilibriums
6. Commitment to participation in social development and activity promotion, environmental conservation, and development of the community quality of life under sustainable development principles for harmonious co-existence
7. Constant cultivation of awareness for social and environmental responsibility among all employees
8. Promotion, preservation, and retention of national customs and culture by sponsoring public and private policies as well as activities for the benefit of communities and society at large.

#### 4.1.3 Giving and acceptance of properties or other benefits to influence decisions

1. Performance of duties with integrity, perseverance, and responsibility
2. Disclosure of the whole truth, without which investigation could yield distorted outcomes
3. No demand for or acceptance of properties, articles, or any benefits from business-related persons so as to act or refrain from acting, or in exchange for IRPC's privileges
4. Refraining from exploiting IRPC positions for personal gains
5. Acceptance of gifts and tokens only on proper traditional occasions, while the values of such articles may not exceed IRPC's regulated values. If it is unavoidable to accept gifts worth more than these values, one should openly report to one's superior
6. No participation in activities or relationship potentially compromising the neutrality of job performance, including actions or relationships against IRPC's interests.

#### 4.1.4 Conflicts of interest of IRPC's transactions

1. Avoidance of actions leading to conflicts of interest with the organization or potentially affecting job-related decision-making
2. Guarding against personal relationships with parties posing potential conflicts of interest or competition with IRPC, including personal relationships or businesses with colleagues that could pose conflicts or harm the work ambience or job performance
3. Refraining from exploitation of data or opportunities stemming from one's service for IRPC for personal gains or gains of personal businesses, or from doing extra jobs that affect IRPC duties
4. Refraining from actions posing conflicts with IRPC's business interests or competing with IRPC that undermine IRPC's interests
5. Strict conformance to the criteria, procedures, and disclosure of connected transactions under the Rules and Regulations of SET and SEC.

#### 4.1.5 Purchase of IRPC securities and use of inside information

1. Refraining from exploiting inside information or providing it to external parties, or exploiting undisclosed material information for gains in IRPC share trading. As for senior executives, to allow adequate time for investors to assess material information, they should refrain from share trading for a period after such information has become public
2. Keeping confidential financial information and undisclosed company performance outlooks, and refraining from expressing IRPC's views to the media, investors, and external advisers (either through the internet or any public forum) without permission
3. Refraining from expressing views to external parties or the mass media on IRPC's businesses when such businesses do not yet deal with IRPC's policies or approaches clearly; this also applies to any other matter potentially affecting IRPC's share price
4. Storage of key, undisclosed information as secrets, known only to involved officers. These officers need to be notified about the confidentiality of such information, its limited use, and prohibition of share trading based on such information
5. Safeguarding of data obtained on the job and refraining from their exploitation for personal gains or unlawful purposes.

#### 4.1.6 Compliance with the law and regulations

1. Strict conformance to legislation and IRPC's regulations, with responsibility for updating advice or recommendations about amended legislation items to properly carry out duties
2. Mastering of IRPC's regulations and applicable laws together with explicit administration of disciplinary and punitive measures so as to explain to subordinates
3. Maintenance of reasonable, practical discipline in behavior and work conduct of oneself and subordinates, with practical regard for suitable circumstances
4. Value and support for activities/transactions whose objectives are lawful and ethical by IRPC standards.

#### 4.1.7 Application of IRPC's properties, data, information technology (IT), and intellectual properties and their stewardship

1. Compliance with laws and regulations on the company IT
2. Refraining from violating patents and trademarks, thus potentially harming IRPC
3. Use of only the hardware and software provided for IRPC's businesses
4. Access control of external parties to essential data files and programs as needed and oversight of such parties' strict compliance with the law and IRPC's ICT policy
5. Safeguarding of information systems and company passwords
6. Efficient application of IRPC's properties for its optimal interests and job capability upgrading, as well as refraining from application of using properties for personal gains
7. Safeguarding of IRPC's intellectual properties from damage, losses, and depreciation, while leveraging intellectual properties for its optimal interests, as well as safeguarding secret data.

#### 4.1.8 Treatment of customers and product quality and market communications

1. Factual advertisement of IRPC's products and services; refraining from violating morality and customs and from instigating social conflicts
2. Commitment to delivering goods and services agreed with customers
3. Upholding of standards and quality of goods and services to boost customers' confidence and satisfaction
4. Willingness to listen to customers' complaints and promptly correct defects. If constrained by time, one must promptly inform customers about the data and status while keeping customers informed

5. Refraining from demanding payment, tokens, or any other benefits from customers, which typifies dishonest practices.

#### 4.1.9 Treatment of contractual partners (business partners & creditors)

1. Strict conformance to conditions, agreements, or contracts. If this is not practicable, one must promptly notify or negotiate with contract counterparts to identify solutions and compensate for damage fairly
2. Conduct of procurement in a transparent manner, treating stakeholders fairly, properly, clearly, comprehensively, and accountably
3. Procurement from law-abiding suppliers that do not unlawfully profit from labor , or money laundry channels or production processes that violate the law and social morality.
4. Due regard for quality and safety of procured goods and services which could affect the health and hygiene of users, employees, communities, society, and the environment.
5. Refraining from exploiting procurement data for personal gains or gains of unrelated parties
6. Fair contract negotiation with due regard for IRPC's reputation.

#### 4.1.10 Treatment of commercial competitors

1. Refraining from defaming commercial competitors through false accusations, slander, and groundless attacks
2. Refraining from acquiring competitors' commercial secrets by dishonest means
3. Promotion of fair competition and strict observance of competition rules
4. Refraining from entering into agreements with competitors or parties that could compromise commercial competition
5. Due regard for common equality and integrity in business conduct and mutual benefit with partners
6. Commitment to business ethics.

#### 4.2 Responsibility for shareholders

IRPC is committed to its responsibility for shareholders' maximum satisfaction with due regard for its own sustainable growth and continually reasonable returns, apart from conducting transparent businesses with credible accounting systems. To this end, it strictly abides by the following practical guidelines:

#### 4.2.1 Company Sustainable Growth

- Do one's duties with integrity and provide fairness to all shareholders for optimal benefit
- Always manage the company with management knowledge and skills to the best of one's ability and decide prudently
- Refrain from engaging in potential conflicts of interest with IRPC.

#### 4.2.2 Information disclosure

- Report IRPC's status and outlooks to shareholders in a fair, regular, and complete factual manner
- Refrain from seeking personal gains and the gains of related parties by exploiting undisclosed IRPC data
- Refrain from disclosing secrets leading to IRPC disrepute.

### 4.3 Customer and public relationship

Committed to satisfying and boosting confidence among customers and the public in quality products and services at reasonable prices and to maintaining good, sustainable relationship, IRPC has defined the following practical guidelines:

- 4.3.1 Commitment to satisfying and boosting confidence among customers in receiving quality products and services at reasonable prices through continual, earnest upgrading of standards
- 4.3.2 Disclosure of complete, accurate, timely, and factual information and data about products and services, while maintaining positive, sustainable relationship
- 4.3.3 Provision of warranties for products and services under suitable time conditions
- 4.3.4 Establishment of a system for customer and public complaints about goods and services and making the best efforts to address them promptly
- 4.3.5 Refraining from profiteering for the given quality of peer products and services and from setting unfair commercial conditions for customers
- 4.3.6 Strict conformance to the conditions given to customers and the public. If conformance is impracticable, one must notify them in advance so as to jointly identify solutions
- 4.3.7 Serious, regular maintenance of consumers' secrets and refraining from exploiting such data for personal gains or the gains of related parties.

#### 4.4 Relationship with business partners, commercial competitors, and commercial creditors

IRPC values business fairness and integrity, as well as common interests with business partners. At the same time, its business partners are expected to strictly comply with the law and assorted rules while commanding acceptable codes of business conduct. In business competition, IRPC is committed to conforming to competition rules together with sound, fair practices for borrowing from and repaying creditors. To this end, it has defined the following practical guidelines:

##### 4.4.1 Business partners

- Refrain from demanding or accepting any undue benefit in dealing with business partners
- Strictly honor all conditions with business partners
- If it is impossible to honor such conditions, one must promptly notify business partners in advance to jointly identify sensible solutions.

##### 4.4.2 Commercial competitors

- Observe rules of free competition
- Refrain from defaming commercial competitors through false accusations and slander.

##### 4.4.3 Commercial creditors

- Strictly honor conditions made with creditors, whether for repayment, stewardship of collateral, or other conditions, and refrain from using the borrowed capital against the objectives of the borrowing terms
- Honestly report IRPC's financial standing to creditors
- If it is impossible to honor contractual obligations, one must report to creditors in advance and jointly identify solutions.

#### 4.5 Responsibility for employees

Regarding employees as part of its success, IRPC is committed to developing and enhancing a wholesome work ambience and promoting teamwork to boost employees' confidence. To this end, below are practical guidelines:

4.5.1 Provide fair compensation in the form of salaries or bonuses, or both

4.5.2 Always ensure a safe workplace for employees' lives and properties

4.5.3 In employee appointment and transfers, including rewarding and punishment, be fair, act in good faith, and base decisions on competency and suitability as well as employees' behavior

- 4.5.4 Value employees' development and competency transfer, regularly giving equal opportunities to all across the board
- 4.5.5 Fairly share views and recommendations with all across the board
- 4.5.6 Strictly comply with all laws and regulations on employees
- 4.5.7 Administer businesses while steering clear of unfair actions, which may affect employees' job security
- 4.5.8 Be polite to employees and respect their individualism and human dignity
- 4.5.9 Institute channels for employees' whistleblowing.

#### 4.6 Responsibility for society and the environment

Recognizing and concerned for the safety of society, the environment, and people's quality of life, while valuing natural resource conservation and promoting efficient energy consumption, IRPC has defined the following practical guidelines:

- 4.6.1 In exploiting natural resources, minimize damage to society, the surroundings, and people's quality of life
- 4.6.2 Regularly reinvest the profit by engaging in social and environmental improvement
- 4.6.3 Constantly cultivate awareness of social and environmental responsibility among the workforce
- 4.6.4 Value transactions with business partners with shared intention for social and environmental responsibility
- 4.6.5 It is IRPC's key policy to efficiently conserve energy for future generations
- 4.6.6 Strictly comply and cooperate (or ensure compliance) with the spirit of laws and rules issued by regulators
- 4.6.7 IRPC's responsibility and key policy are to value community and social activities with a focus on forging social, community, and environmental development; developing and conserving natural resources; supporting youth education; and supporting public service activities for underprivileged communities to become stronger and self-reliant
- 4.6.8 IRPC firmly believes in democracy and promotes the exercising of voting rights under the constitution. Its policy is not to directly or indirectly sponsor politicians and political parties for their own benefit.

## **Section 5: Best Practices relevant to Corporate Governance**

IRPC has defined good practices on various CG matters for the Board, executives, and employees to observe as practical guidelines, dealing with the following parties and matters:

5.1 The Board

5.2 Executives and employees

5.3 Human resource administration

5.4 Accounting and financial items

5.5 Internal control

5.6 Conflicts of interest

5.7 Acceptance and giving of gifts, properties, and other benefits

5.8 Maintaining secrets

5.9 Trading of securities

5.10 Use of information and communications technology (ICT)

5.11 Information disclosure

5.12 Quality, safety, occupation health, and environment (QSHE)

5.13 Material procurement

## 5.1 The Board

To illustrate its intention for conducting businesses transparently, righteously, responsibly (toward stakeholders), and professionally, IRPC has defined the following best practices for the Board to observe as its code of conduct:

- 5.1.1 Comply with applicable laws and regulations, company regulations, and resolutions of shareholders' meetings
- 5.1.2 Administer with integrity and strict political neutrality, while being free to decide and act
- 5.1.3 Fully empower executives in day-to-day operation without undue interference
- 5.1.4 Hold no vested interests in businesses related to those of IRPC or those competing with IRPC (either directly or indirectly), except when notifying shareholders' meetings in advance before appointment decisions are made or when notifying Board meetings for replacement appointment
- 5.1.5 Avoid conflicts of interest with IRPC and let business proceed freely and efficiently
- 5.1.6 Administer with care and engage in no obligations posing conflicts with one's own duties afterward
- 5.1.7 Refrain from seeking undue benefit from work, either directly or indirectly
- 5.1.8 Do the best for IRPC's maximum interests
- 5.1.9 Refrain from any action that could undermine IRPC's interests or favor other parties or juristic persons
- 5.1.10 Be committed to preventing and eliminating possible fraud, which calls for prompt, decisive actions to cultivate / build up / develop / form IRPC's positive values and reputation.

## 5.2 Executives and employees

As a business concern of the integrated petroleum and petrochemical industries, as well as downstream businesses, for the benefit of the shareholders and the national economy, IRPC needs to maintain professionalism, agility, and freedom. To enable it to do so, it has defined good practices for executives and employees, also known as their code of conduct, as follows:

- 5.2.1 Perform duties with responsibility, integrity, commitment, conformance to regulations, company policies, and company culture with utmost regard for company interests
- 5.2.2 Strictly maintain customers', business partners', and IRPC's secrets, taking extra care to ensure that IRPC's secrets are not leaked to other parties

- 5.2.3 Respect individual rights of others and refrain from revealing or negatively commenting on data or matters concerning others (work-related and personal) or harm IRPC's overall image
- 5.2.4 Refrain from doing anything that leads to disunity or damage within IRPC or related parties
- 5.2.5 Maintain and enhance unity among the workforce, while extending help to one another in positive ways for the good of IRPC as a whole
- 5.2.6 Treat colleagues with politeness, courtesy, and good human relations; refrain from concealing essential data for colleagues' job performance; adapt to work with others; and honor others by not claiming their work as one's own
- 5.2.7 Be committed to becoming smart and good by always improving oneself in ways that benefit oneself and IRPC alike
- 5.2.8 Pursue further knowledge and experience to improve one's job competency
- 5.2.9 Be committed to righteousness and ethics, stay away from vices, and refrain from defaming oneself and IRPC
- 5.2.10 Notify respective superiors or the Audit Committee if one discovers fraud or malfeasance in IRPC
- 5.2.11 Support efforts to preserve workplace surroundings and ambience, including the organization's moves toward excellence
- 5.2.12 Avoiding giving or accepting articles, entertainment, or other benefits from business partners or those related to company businesses, except for the good of routine businesses or during festivals or traditional periods at reasonable values. If accepted gifts are cash or items of substantial values, notify respective superiors and return them promptly.

### 5.3 Human Resource Management

Regarding employees as a crucial, valuable element of success, progress, and sustainable growth of IRPC, the company recruits conscientious people and develop smart professionals by imposing the following good practices:

- 5.3.1 Human resource management must align with and support IRPC's business strategies and goals
- 5.3.2 Human resource systems and management processes are made comparable to those of leading businesses, marked by clarity, transparency, fairness, and uniformity
- 5.3.3 Conscientious, smart people with professional performance are recruited and produced
- 5.3.4 All superiors are responsible for administering human resources in their units in line with IRPC's human resource administration systems and approaches

- 5.3.5 All employees are responsible for exerting full ability, responsibility, and commitment for success, while observing the rules of ethics and corporate culture
- 5.3.6 Human resource development is the responsibility of not only the company, but also all superiors and employees:
  - IRPC constantly develops employees' competencies and job efficiency
  - Superiors are responsible for planning, monitoring, and feedback
  - Employees must be alert for knowledge and committed to regular self-development.
- 5.3.7 Career progress, compensation and incentives depend on job quality, job achievement, attitude, and capability
- 5.3.8 IRPC manages compensation on a par with that of leading peer companies
- 5.3.9 IRPC promotes employees' quality of work life for job safety and sound occupational health.

#### 5.4 Accounting and financial items

##### 5.4.1 Accuracy of entries

- All IRPC's business entries must be accurately, completely, and verifiably recorded without exception
- Under no circumstances can account and business entries be distorted or falsified
- All personnel must engage in business transactions in line with company regulations and requirements, complete with all supporting documents for account entries. These supporting information and data must be adequately useful and timely so that recorders and preparers of accounting and financial reports may accurately and completely record and prepare such reports.

##### 5.4.2 Accounting and financial reports

- All personnel must not engage in data distortion or falsification of entries, whether these business items are related to accounting and financing or to operation items
- All personnel should recognize that the accuracy of accounting and financial reports are the collective responsibility of the Board, executives, and assigned staff
- All personnel are responsible for preparing or providing business data, or both

##### 5.4.3 Compliance with the law

- All personnel must comply with all applicable laws and regulations, whether domestic or overseas (or both), so that IRPC's accounts and financial recordings may be accurate and complete

- All personnel must adhere to integrity, neutrality, and honesty in data compilation and recording. Honesty in this context includes avoidance of unlawful or unethical activities.

## 5.5 Internal control

### 5.5.1 The Board

The Board is responsible for defining an internal control system policy and ensuring system implementation marked by sensible risk management that does not impede IRPC's objective fulfillment, with regular assessment monitoring.

### 5.5.2 The Audit Committee

The committee is responsible for reviewing the internal control system and reporting its findings to the Board and the shareholders. Below are the key components of the system:

1. Control environment to give employees a positive attitude toward internal control
2. Risk assessment for key risks in business conduct that could affect its objectives, goals, or success
3. Proper control activities in all positions and at all levels for manageable risk levels
4. Adequate, credible, timely, and proper information and communication inside and outside IRPC
5. Monitoring and evaluation system to ensure that the internal control system is suitable, gets implemented, finds timely adjustment, and aligns with current circumstances

### 5.5.3 Executives

Executives carry out policies defined by the Board for achievement.

- Senior executives systematize the internal control system and cultivate discipline as well as a proper attitude among employees toward the system
- Middle executives systematize the system for their specific jobs, with required outcome assessment, improvement, and reviews of system implementation.

### 5.5.4 All employees

They are to comply with laws, regulations, directives, measures, and elements of the internal control system

#### 5.5.5 Office of Corporate Internal Audit

This office is directly responsible for assessing internal controls and auditing system conformance, while making comments on control measures for various units in line with current circumstances and risk factors.

### 5.6 Reporting conflicts of interest

#### 5.6.1 The Board and executives

The Board and executives must review conflicts of interest for connected transactions between IRPC and subsidiaries and associates with integrity, reason, and freedom under sound ethics, with due regard for IRPC's best interests. Below are the six categories of connected transactions:

1. Regular transactions mean commercial transactions of assets or services typical of IRPC's businesses, conducted routinely under normal commercial conditions, including purchase and sale of petrochemical and petroleum products, purchase of feedstock, and service provision
2. Supporting transactions mean commercial transactions of assets or services in support of IRPC's regular businesses, including product logistics hiring, advertisement production hiring, technical assistance agreements, and business management hiring
3. Short-term rent or lease of real estate means items that cannot be shown as aligning with regular commercial conditions under agreement periods of up to three years
4. Items about other assets or services
5. Items about financial assistance for subsidiaries and associates, including working capital in the form of loans and loans with collateral, for which IRPC must earn interest, for instance, at market rates
6. Other connected transactions.

#### 5.6.2 The Audit Committee

The committee is responsible for reviewing connected or significant related transactions between IRPC and its subsidiaries and associates, and reviewing accurate, complete disclosure of company information for such transactions or those with potential conflicts of interest.

#### 5.6.3 All employees

All employees must prepare a disclosure report on items that could constitute conflicts of interest with IRPC by using the form given in the Appendix. This is to be handed to respective superiors and delivered to the Office of the President.

## 5.7 Acceptance and giving of gifts, properties, or benefits

5.7.1 Below are how IRPC personnel can lawfully accept properties or other benefit from others:

- Lawful properties or benefit or those allowed by regulations issued under the law
- Properties or other benefit given ethically, namely
  - Gratuitous presents from relatives fitting one's standing
  - Gifts presentable to people in general

5.7.2 IRPC has defined additional practical guidelines for gifts, properties, or benefit as follows:

- Under no circumstances can employees or their families, or both, demand or accept properties or other benefit from contractors, subcontractors, suppliers and vendors, joint-venture partners, or those related to IRPC's businesses, since this could bias decision-making on the job or pose conflicts of interest
- IRPC is to exercise discretion in giving gifts, properties, or other benefits to others that could be excessive, extravagant, or against good traditions, Thailand's laws, or local laws where IRPC operates
- IRPC will regularly issue reminders about reporting acceptance of gifts, properties, or other benefit and will inform contractors, subcontractors, suppliers and vendors, joint-venture partners, or those related to IRPC's businesses about this policy.

## 5.8 Maintaining secrets

5.8.1

- The Board, executives, employees, workers, and IRPC's contractors must maintain the confidentiality of data and documents that cannot be disclosed, trade secrets, formulae, and assorted inventions, all of which are proprietary to IRPC
- Directors, executives, employees, workers, and contractor employees must not disclose confidential data and documents or trade secrets
- Executives and employees must be aware of and conform to the procedures for maintaining data confidentiality to prevent inadvertent disclosure.

5.8.2 Classification of confidentiality

- Safeguarding of IRPC's trade secrets relies on classification of data, namely public, confidential, secret, and top secret

- Collective use of inside information must be framed by assigned roles and responsibilities

#### 5.8.3 Disclosure to external parties

- The President or his assigned delegate(s) approves data and information released to the public
- Data about joint-venture partners must secure a prior approval of these partners
- Corporate Affairs, Company Secretary, Corporate Communications, and Investor Relations are authorized to release data and information, prepared by the owner unit(s).

#### 5.8.4 Expressing views to external parties

- Expression of views to external parties is forbidden
- One should ask oneself if it is one's duty to answer those questions. If not, politely turn down the request for views and advise external parties to ask the units listed above directly.

### 5.9 Trading of securities

- 5.9.1 The Board, executives from Senior Executive Vice Presidents upward, and executives of the Accounting and Finance group must report their portfolios and other reports under SET's and SEC's regulations
- 5.9.2 IRPC, subsidiaries, and associates listed on SET must comply with the law on the use of inside information by ensuring fair treatment of all shareholders. To prevent unlawful actions by employees and their family members with knowledge or possible knowledge of undisclosed inside information, IRPC forbids those people to trade or urge others to trade or solicit buyers and sellers of the shares of IRPC, subsidiaries, or associates listed on SET, whether such transactions are engaged in by these people themselves or through brokers while possessing undisclosed information. IRPC and SET regard such action as speculative securities trading, which constitutes unfair advantages to certain groups
- 5.9.3 IRPC has established a workplace security system to safeguard confidential files and documents and limited access to undisclosed information, made known only to related parties and those that need to know. It is therefore the duty of such information owner or holder to remind related parties to strictly conform to security procedures, violators of which are to face disciplinary action or legal action, or both.

### 5.10 Use of information and communications technology (ICT)

- 5.10.1 Relying on ICT as a key factor supporting business and work efficiency, IRPC expects all employees to leverage ICT under the law and IRPC's directives and standards

5.10.2 IRPC has instituted security management for its information system; i.e, international-standard computer system and data

5.10.3 All employees are responsible for

- Safeguarding IRPC's information system within their control or responsibility from being trespassed on by unauthorized people, and withholding crucial business information from them
- Using IRPC's information system and communication equipment with discipline to avoid hurting IRPC and other parties, including their application in unlawfully accessing the information system; harming reputation and properties; disrupting system operation; intercepting data; illegally decoding passwords; falsifying computer data; distributing improper image, texts, or sound; and using them for private businesses or unlawful purposes
- Refraining from infringing others' software patents or intellectual properties
- Encrypting data for online transmission of key business data, and not exchanging such data with websites without firewalls
- If employees request permission for their associates to access IRPC's information system, such employees must be responsible for controlling the associates' or contractors' use and accept responsibility for any damage to the company

5.10.4 To safeguard its information system, IRPC will inspect, detect, monitor, investigate, and control employees' usage of the system if it suspects abuse or if there is a reasonable reason to do so

5.10.5 If fair investigation confirms an abuse, disciplinary measures or legal measures, or both, will be taken.

## 5.11 Information disclosure

For efficient disclosure of information and thorough, fair access to all stakeholders, IRPC has defined the following practical guidelines:

### 5.11.1 Reporting to SET

SET is the key channel for disclosure of IRPC's material information before its release through other channels

### 5.11.2 Electronics communication

It is through the company's website ([www.irpc.co.th](http://www.irpc.co.th)), under Investor Relations, that IRPC discloses material information, namely its financial statements, annual reports, annual information display form

(Form 56-1), analyst meeting documents, shareholders' meeting documents, and other information about business, corporate responsibility, stewardship of stakeholders and sustainability management.

#### 5.11.3 Communication through printed media, radio, TV, and other channels

IRPC's means of information disclosure through a variety of printed media include newsletters for shareholders to constantly inform them about business performance and their key activities

#### 5.11.4 Direct disclosure for shareholders, investors, analysts, and news reporters

- Quarterly analyst meetings after the disclosure of financial statements
- Company visits under appointments with analysts or investment managers
- Investor roadshows where company information is provided to investors and fund managers (domestic and abroad), as necessary
- Press conferences or interviews, as necessary
- Rayong plant visits by shareholders to understand IRPC operations and business progress.

5.11.5 A temporary silent period for disclosure of performance outcomes to investors and analysts, including a seven-day period of no meeting or information provision to analysts before IRPC reports its performance to SET.

### 5.12 Quality, safety, occupational health, and environment (QSHE)

5.12.1 Executives and employees must rely on the QSHE system as an integral part of their jobs to enhance their efficiency, effectiveness, and value

5.12.2 Executives, employees, and contractor employees must be committed to full compliance with laws, policies, regulations, and applicable QSHE standards

5.12.3 IRPC must do its best to control and prevent losses in various forms due to accidents, fires, work-related injuries or illnesses, property losses or damage, trespassing of security systems, improper work practices, and assorted errors. It must also preserve safe workplace surroundings for employees and contractor employees. Executives and employees must report accidents and incidents, while observing procedures

5.12.4 IRPC has instituted plans for the control and prevention of emergencies at all its sites. In place is a plan to manage emergencies and crises to deal with fires and spills of oil, gas, chemicals, or waste, among others. Measures are also in place for other crises potentially disrupting businesses or causing losses to corporate reputation

5.12.5 IRPC stages public relations and communication events to promote understanding and distribute information to employees, contractor employees, and relevant stakeholders for their awareness and

understanding of policies, regulations, procedures, and reminders of QSHE, and apply them correctly to keep their health, properties, and surroundings out of harm's way

5.12.6 IRPC strives to promote and cultivate QSHE awareness as employees' second nature

5.12.7 IRPC strives to seriously and constantly participate in social responsibility efforts in QSHE through optimal consumption of natural resources by recognizing the value of the surroundings and safety of related stakeholders. It also promotes social activities by preserving the surroundings and developing the quality of life for community members under sustainable development principles.

### 5.13 Material procurement

5.13.1 Optimize value to IRPC's procurement by requiring that materials should be delivered as required in quality, price, number, delivery time, and speed with due regard for its QSHE policy

5.13.2 Procurement officers must command effective procurement plans to avoid unnecessary urgent deliveries

5.13.3 Suppliers and vendors must be treated fairly. IRPC must duly regard potential benefit and loss to its reputation

5.13.4 Employers must openly provide accurate, clear, and complete data to suppliers and vendors and provide fair opportunities to them

5.13.5 Employees should listen to comments and recommendations from suppliers and vendors in resolving work-related problems

5.13.6 Employees must maintain data supplied by bidders as confidential

5.13.7 Invitations for quotations from suppliers and vendors must result in fair competition among suppliers and vendors

5.13.8 Negotiations must be based on a business relationship that is mutually fair, open, and documented

5.13.9 Business relationship with supplies and vendors must be fair and free of demands made for properties or benefits, either directly or indirectly

5.13.10 Designated procurement executives must exercise discretion in mentoring and sharing views with their subordinates

5.13.11 Designated procurement executives must control, supervise, and ensure that the code of conduct is strictly observed. Should it be violated, they must mount investigations and mete out proper disciplinary actions

5.13.12 Procurement for materials and services from Thai operators, affiliates, subsidiaries and associates of IRPC should be encouraged.

5.13.13 Materials must be systematically and technically procured under strict control. Procedures must be constantly adjusted in line with commercial changes.

## **Information Disclosure Policy**

IRPC Public Company Limited is committed to being a business entity with efficient corporate governance (CG) by focusing on creating maximum benefit for the shareholders while taking all stakeholders into account, treating all shareholders equally and conducting business with transparency and accountability. IRPC has therefore devised a policy on information disclosure, regarded as a practical guideline for the Board, executives, and employees as detailed below:

### **1. Policy scope**

The policy of IRPC and its affiliates covers all information disclosure channels, both formal and informal, including analyst meetings, press conferences, verbal discussions, telephone conversations, and e-mails.

### **2. Policy**

2.1 The Board, executives, and employees must observe this policy as well as laws, criteria, and rules of SET, SEC, and other relevant regulators.

2.2 IRPC discloses adequate, reliable, and timely material information, which is open to scrutiny. All shareholders and stakeholders receive the same message, whether positive or negative. The company has also established a monitoring process for disclosed information to ensure that its essence is accurate and will cause no misunderstanding.

2.3 IRPC has established units responsible for public information disclosure.

### **3. Authorized persons**

The President or his delegate is authorized for disclosing company information. Investor Relations is responsible for disclosing and providing information to analysts, fund managers, shareholders, and investors. Corporate Communications, meanwhile, is responsible for disclosing and providing company information to the media and the public.

### **4. Management of rumors or leaked information**

IRPC commands a stringent policy for dealing with premature public disclosure of material information. When there is a rumor, leak of material information, or incorrect reference, whether positive or negative, which may impact the company's share value or operations, the units responsible for information disclosure must report it to an authorized person(s) to clarify with the regulators as soon as possible.

### **5. Financial forecasts**

IRPC's policy is not to publicize financial forecasts, but will provide essential information about industrial trends to stock analysts as appropriate. Nevertheless, the company will not assess the suitability of financial forecasts made by analysts, since the forecast procedures and assumption may be different. If IRPC finds significant misunderstanding among analysts, it will clarify with them individually.

a) Section 6: Appendix

Definitions

Definitions

1. *Definition and qualifications of independent directors*

- (a) Holds no more than 0.5% of the total number of voting shares of the Company, subsidiaries, affiliates, major shareholders or controlling persons, including the shares held by related persons
- (b) Is not or was not an executive director, employee, staff member, adviser on the payroll, or controlling person of the Company, subsidiaries, associates, sister companies, major shareholders or controlling persons, unless such status has ended no less than two years before taking up the independent directorship. Such status excludes where the independent director used to be a government official or an adviser of a government agency that was a major shareholder or a controlling person of the Company
- (c) Is not related by blood or legal registration as the father, mother, spouse, sibling, or child, including spouse of a child, executive, major shareholder, controlling person, or nominated executive or controlling person of the Company or its subsidiaries
- (d) Does not or did not have a business relationship with the Company, subsidiaries, associates, major shareholders or controlling persons that may interfere with his/her independent judgment; is not or was not a significant shareholder or controlling person of any person with a business relationship with the Company, subsidiary companies, associates, major shareholders or controlling persons, unless such relationship has ended no less than two years before taking up the independent directorship. The term 'business relationship' under the first paragraph includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar action, which result in the Company or the counterparty being subject to indebtedness payable to the other party of 3% or more of the net tangible assets of the Company or 20 million baht or more, whichever is lower; the amount of such indebtedness is calculated by the method for calculating the value of connected transactions under the relevant Notification of the Capital Market Supervisory Board, *mutatis mutandis*; however, the consideration of such indebtedness includes indebtedness incurred during one year before the date on which the business relationship with the person begins
- (e) Is not or was not an auditor of the Company, subsidiaries, associates, major shareholders or controlling persons, and is not a significant shareholder, controlling person, or partner of an audit firm that employs auditors of the Company, subsidiary companies, associates, major shareholders or controlling persons, unless such relationship has ended no less than two years before taking up the independent directorship
- (f) Is not or was not a provider of any professional services including those as a legal adviser or financial adviser that receives more than 2 million baht per year in service fees from the Company, subsidiaries, associates, major shareholders or controlling persons, and is not a significant shareholder, controlling

person or partner of a provider of professional services, unless such relationship has ended no less than two years before taking up the independent directorship

- (g) Is not a director appointed as a representative of director of the Company, major shareholder, or shareholders related to the major shareholders
- (h) Does not undertake similar businesses in competition with the Company or subsidiary companies; is not a significant partner in a partnership or is an executive director, employee, staff, adviser on the payroll of or holds more than 1% of the total number of voting shares of other companies which undertake similar businesses in competition with the Company or its subsidiary companies.
- (i) Does not bear any other characteristic which could compromise his/her expression of free views about the Company's business operations.

*Other definitions and qualification of independent directors*

- "Subsidiary" (or subsidiaries) means
  - (a) A company in which the Company holds over 50% of the total voting shares
  - (b) A company in which the company under (a) holds over 50% of the total voting shares
  - (c) Companies whose shares are held in the form of pyramid holding, beginning with the shareholding of the company under (b), whereas the shareholding of companies at each level of the pyramid exceeds 50% of the total voting shares
  - (d) A company in which the Company or the company under (a), (b), or (c) hold over 50% directly or indirectly) of the total voting shares
  - (e) A company in which the Company or the company under (a), (b), (c), or (d) can exert control over its financial policies and business operations for the benefit derived from activities conducted by that company.

The shareholding of the Company or of the company under (a), (b), (c), or (d) includes the shares held by related parties.

- "Sister companies" means two or more subsidiaries whose parent companies are the same company, regardless of the level of such subsidiary
- "Associate" means:
  - (a) A company in which the Company or its subsidiaries holds a total of 20-50% of the total voting shares
  - (b) A company in which the Company or its subsidiaries can contribute to decisions on the financial policies and business operations, but do not control them, and is not classified as a subsidiary or a joint venture;

The shareholding of the Company or its subsidiaries includes the shares held by related parties.

- "Related parties" means persons or partnership with a relationship with a person in any of the following manners:
  - (a) a spouse

(b) a minor child (not yet of age)

(c) an ordinary partnership in which such persons or the persons under (a) or (b) are partners

(d) a limited partnership in which such persons or the persons under (a) or (b) are general partners or limited partners with a total of over 30% of the total shares

(e) a limited company or public limited company in which such persons or the persons under (a) or (b) or the partnerships under (c) or (d) hold over 30% in total of the outstanding shares

(f) a limited company or public limited company in which such persons or the persons under (a) or (b) or the partnerships under (c) or (d) or the company under (f) hold over 30% in total of the shares issued

(g) a juristic person in which such persons command management power as a representative of such juristic person.

- “Major shareholders” means shareholders with over 10% of the total voting shares (including the shares held by related parties)

- “Controlling persons” means the shareholders or other persons whose behavior may significantly influence the determination of policies, management, or business operations of a company, regardless of whether such influence is due to the shareholders’ status or to the power granted under an agreement or other undertakings, particularly persons with any of the following characteristics:

(a) Persons entitled to vote directly or indirectly for a total of more than 25% of the voting shares

(b) Persons who have practical control over the appointment or removal of directors

(c) Persons who have practical control over the person in charge of the determination of policies, executives, management, or business operations in compliance with the orders of such persons about the determination of policies, management, and business operations

(d) Persons who in practice operate the Company or are responsible for operating the Company as if they were the management, including anyone whose position has similar duties.

## 2. Definition and guidelines on conflicts of interest

*Definition under the Securities and Exchange Act B.E. 2535 (1992), 4th amendment (B.E. 2551) (2008) (the SEC Act)*

- “Related persons” means a person or persons with any of the following relationships:

(1) Control over the company; in case of a juristic person, this includes its directors

(2) The spouse, a minor child, or an adopted minor child of a director, executive, or the person under (1)

(3) A juristic person over which the person under (1) or (2) has control

(4) Any other person as specified in the relevant Notification of the Capital Market Supervisory Board.

When a person acts with the understanding or under an agreement that if the company enters into a transaction with financial benefits for that person, the director, the executive, or the person under (1) or (2) will also gain financial benefits, this person is considered a related person for the transaction.

- “Subsidiary” means

(1) A limited company or a public limited company over which the Company has control

(2) A limited company or a public limited company over which the subsidiary under (1) has control

(3) A limited company or a public limited company under the chain of control, beginning with that under control of the subsidiary under (2).

*Definitions under the Notification of SET on Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions, B.E. 2546 (2003), dated 19 November 2003, as amended:*

- “Connected transaction” means any transaction between a listed or a subsidiary company and the listed company’s connected persons, or any transaction between a subsidiary company and its connected persons.

- “Connected persons” means the following:

(1) The executive, major shareholders, controlling persons, or those to be nominated as the executives or controlling persons of a listed or a subsidiary company, including their related persons and close relatives

(2) Any juristic person with a major shareholder or a controlling person in the following positions of a listed or a subsidiary company:

(a) Executive

(b) Major shareholder

(c) Controlling person

(d) Nominated executive or controlling person

(e) Related persons or close relatives of persons under (a) or (d).

(3) Any person whose behavior is that of an acting person or under the major influence of persons under (1) to (2) when making significant decisions, determining policies, handling management or operations, or other persons regarded by SEC as equivalent.

- *Definitions as defined by Capital Market Supervisory Board*

- “Controlling persons” means persons with controlling authority

- “Controlling interests” means

- (1) Holding of more than 50% of the voting shares in a juristic person
  - (2) Having direct or indirect control of majority votes at a meeting of the shareholders of a juristic person regardless of reasons
  - (3) Having direct or indirect control over the appointment or removal of more than half of the total number of directors.
- “Connected persons” means connected persons as defined by the relevant Notification of SEC, including the connected persons as defined in the SEC Act, namely
    1. Directors of a juristic person with controlling interests in a given company
    2. A spouse, a minor child, or an adopted minor child of the directors under (a)
    3. A juristic person in which the persons under (a) or (b) have control over its businesses
    4. Any person acting with the understanding or under an agreement that if the company enters into a transaction which provides financial benefits for him or her, the following persons will also gain such benefits:
      1. Directors
      2. Executives
      3. Controlling persons
      4. Directors of controlling persons
      5. A spouse, a minor child, or an adopted minor child of the person in 1, 2, 3, or 4.

### *3. Definition and guidelines on gifts, properties, or benefits*

- Benefits means items of values, namely discounts, entertainment, services, training, or equivalent items
- Acceptance of morality properties or benefits means acceptance of properties or benefits from relatives or persons during festivals under the tradition and custom or culture, or as courtesy.
- Relatives mean parents, direct descendants, siblings, uncles, aunts, spouse, parents or descendants of spouse, adopted child, or the adopter.

### *4. Definition of information and communications technology (ICT)*

- Information and communications technology (ICT) means the blend of IT with telecommunications systems encompassing communication systems like radio, TV, facsimile, telephone, and other communication devices with computer software, databases, IT services, and telecommunications systems that are all linked and commonly used.

### *5. Definitions of the internal auditor's key qualifications and responsibilities*

- Freedom to audit with professional internal-audit standards
- Freedom to request audit of assorted properties and activities, including account books, supporting documents to accounting entries, correspondence, and applicable reports

- Ability to request audited units to provide clarification and hand over documents concerning audit matters
- Ability to present internal audit findings to the Audit Committee at least annually.

6. “Classification of data”

- Top secret: Documents that can harm the company’s overall business if disclosed in whole or in part
- Secret: Documents that can harm several related units’ businesses if disclosed in whole or in part
- Confidential: Documents that can harm only responsible unit’s (or units’) businesses if disclosed in whole or in part.

## **Subcommittees' charters**

### **Audit Committee**

#### **Structure**

- 1) The Audit Committee shall consist of at least 3 members.
- 2) Members are appointed by the Board or shareholders' meetings
- 3) Under the relevant Announcement of the Capital Market Supervisory Board, the Audit Members must be independent directors.
- 4) At least one of the members has command sufficient knowledge or experience to review the financial statement to ensure its reliability

#### **Term and compensation**

- 1) Members have term of office as long as the director term of the Company
- 2) Members whose terms are due to expire may be reappointed as seen appropriate by the Board
- 3) A member must leave the post on the following conditions
  - Leaving the Board
  - Lacking qualifications specified by this charter or SET regulations
  - Resignation
  - Death
  - Dismissal by the agreement of the Board
- 4) If a vacancy on the committee exists for reasons other than term completion, the Board must appoint a replacement within 3 months from the of vacancy.
- 5) Remunerations of the Committee are as approved by the shareholders.

#### **Scope of authority, duties, and responsibilities**

- 1) Review IRPC's financial reports to meet accounting standards with correctness and sufficiency, as stipulated by law.
- 2) Review IRPC's internal control and internal audit systems to ensure their suitability and effectiveness, and review the effectiveness and sufficiency of the risk management process.

- 3) Review IRPC's operations to ensure compliance with the Securities and Exchange laws and other laws relating to IRPC's businesses.
- 4) Review IRPC's connected transactions or any other transaction with possible conflicts of interest to ensure compliance with legislation and SET's regulations, and ensure justification of such transactions and the highest benefit for IRPC.
- 5) Select and nominate external auditors and make recommendations on their fees, and hold a meeting with them in the absence of the management at least once a year.
- 6) Consider the scope of auditing and auditing plans of the external auditors and the Office of Corporate Internal Audit for complementarity and reduced redundancies on financial auditing.
- 7) Approve the auditing plans, as well as provide views on budget and manpower of the Office of Corporate Internal Audit.
- 8) Consider, appoint, transfer, or dismiss the Executive Vice President, Office of Corporate Internal Audit, as well as consider the independence of the office.
- 9) Review the efficiency and effectiveness of information technology systems relevant to internal control and risk management.
- 10) Arrange for an internal audit report to be included in IRPC's annual report. The report must be signed by the Chairman of the Audit Committee.
- 11) Possess the authority to have access to the information of the review and investigation of relevant persons under the duties and responsibilities of the Audit Committee as stipulated by IRPC's regulations.
- 12) In performing its task, if the Audit Committee comes across or doubts list or action that may have significant impact on IRPC's financial status and work performance, namely:
  - (1) List of conflicts of interest
  - (2) Fraud or abnormality or major deficiencies in the internal control system
  - (3) On the violation of securities and exchange laws, SET's regulations, or laws relevant to IRPC's business, the Audit Committee must report to the Board for timely improvement and rectification. If the Board or the management does not undertake improvement or rectification within a suitable period and without valid reason, the Audit Committee must report the list or the action of such violation to the Office of the Securities and Exchange Commission or SET on receiving the information without delay.
- 13) Perform other tasks as assigned by the Board, with the Audit Committee's concurrence

## **Corporate Governance Committee**

### **Structure**

- 1) The Corporate Governance Committee (CG Committee) shall consist of at least three directors of the Board, at least one of whom is an independent director
- 2) Members must command knowledge and understanding of international-standard corporate governance principles

### **Term and compensation**

- 1) The CG Committee has term of office as long as a director term of the Company
- 2) Members whose terms are due to expire may be reappointed, as seen appropriate by the Board
- 3) Remunerations of the Committee are as approved by the shareholders.

### **Scope of authority, duties, and responsibilities**

- 1) Propose corporate governance guidelines to the Board.
- 2) Monitor the work of the management to ensure corporate governance principles and implementation
- 3) Review IPRC's corporate governance against practices as the international level and make a propose to the Board to ensure continuous and up to date improvement.
- 4) Formulate corporate governance policies and efficient guidelines of fraud and corruption prevention
- 5) Perform other takes as assigned by the Board.
- 6) To govern, advise, delegate policy and monitor implementation of Sustainability management in order to improve and guideline to promote Corporate sustainability strategies and goals.

## **Nomination and Remuneration Committee**

### **Structure**

- 1) The Board appoints the Nomination and Remuneration Committee
- 2) The Nomination and Remuneration Committee consists of at least three directors of the Board, one of whom is an independent director.

### **Term and compensation**

- 1) Members have term of office as long as the director term of the Company.
- 2) Members whose terms are completed may be reappointed to one more term, as seen appropriate by the Board.
- 3) Remunerations of the Committee are as approved by the shareholders.

### **Scope of authority, duties, and responsibilities**

- 1) Consider the structure and qualifications of directors and the President.
- 2) Consider criteria, guidelines, and methods to nominate directors for the Board, the sub-committees, as well as the President, based on relevant rules and regulations with transparency and efficiency.
- 3) Screen appropriate candidates for consideration of directorship, in the cases of vacancies and completion of terms, and table the list to the Board and the shareholders' meeting for approval.
- 4) Consider the list of directors for membership of the sub-committees and table it to the Board for approval.
- 5) Screen appropriate candidates for the position of the President with attention and suitability for IRPC's maximum benefit and submit the list to the Board for approval.
- 6) Base compensation consideration for directors and the President on transparency, fairness, and sensibility. The compensation for directors is submitted to the Board and the shareholders' meeting for approval, whereas the compensation for the President is submitted to the Board for approval.
- 7) Determine criteria, assessment process, bonus, and operation goals of the President and submit them to the Board for approval.
- 8) Assess the yearly performance and the compensation of the President such as salary, bonus, and other monetary and non-monetary benefits which are suitable to the business and submit them to the Board for approval.
- 9) Perform other tasks as assigned by the Board, relevant to the nomination and compensation of directors and the President.

## **Risk Management Committee**

### **Structure and Qualifications**

The Executive Committee is made up of at least three expert in petroleum, petrochemical business or other fields supporting risk management.

### **Term and Compensation**

- 1) Members have term of office as long as the director term of the Company.
- 2) Members whose terms are completed may be reappointed to one more term, as seen appropriate by the Board.
- 3) Remunerations of the Committee are as approved by the shareholders.

### **Scope of authority, duties, and responsibilities**

- 1) Formulate suitable, efficient policy and recommendations on risk management involving IRPC's business operations.
- 2) Define risk management plans and risk management procedures for the entire company.
- 3) Consider financial tools such as futures contracts and contracts setting price gaps to reduce IRPC's risks.
- 4) Develop a risk management system to ensure efficiency.
- 5) Monitor and assess performance of corporate wide risk management implementation.
- 6) Submit regular reports on the monitoring of risk management performance and operation to reduce risks to the Board for acknowledgment. Important matters having significant impacts on IRPC must be reported to the Board without delay.
- 7) Support the Risk Manager's operation and continuously assess the major factors of risk management in compliance with corporate plans and on a par with other leading companies.
- 8) Perform other tasks as assigned by the Board.

**Additional information concerning CG**

***Report form for disclosure of transactions suspected of conflicts of interest (as attached)***

<b>Report form for disclosure of transactions suspected of conflicts of interest</b>
<p>In compliance with IRPC's regulations regarding corporate governance, which requires all employees to perform at their highest standard by reporting any transaction bearing conflicts of interest with the Company, I wish to report such a transaction as detailed below:</p> <ol style="list-style-type: none"><li>1. Detail of the report, as described in Attachment 1</li><li>2. I have taken a corrective action (if applicable), as described in Attachment 2.</li></ol> <p style="text-align: right;">Reporter .....</p> <p style="text-align: right;">Position.....</p> <p style="text-align: right;">Department .....</p> <p style="text-align: right;">Date .....</p>

**Acknowledgment**

**IRPC Public Company Limited**

I acknowledge and have read the Corporate Governance Handbook. I understand the contents and will use them as my guiding principles.

(.....)

Position.....

...../...../.....

(original)

**Acknowledgment**

**IRPC Public Company Limited**

I acknowledge and have read the Corporate Governance Handbook. I understand the contents and will use them as my guiding principles.

(.....)  
Position.....  
...../...../.....

Perforated part : for submission to Corporate Affairs  
(copy)