

(Translation)



Thai Oil Public Company Limited

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Nomination and Remuneration  
Committee Charter

# Nomination and Remuneration Committee Charter



Thai Oil Public Company Limited

## Amendment Record

Title: Nomination and Remuneration Committee Charter

Issue No./ Revision No.	Date	Changes	Reasons for Changes
01/00	26/02/2008	New Charter	To cover the context changes of the Company's business operations, in accordance to the best practices of governing bodies and newly revised corporate governance principles.
02/00	04/05/2016	The Entire Document	



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### 1. Objectives

The Nomination and Remuneration Committee (the Committee) considers and sets criteria and nomination process of qualified candidates to be appointed as directors and Chief Executive Officer of the Company. The Committee also selects directors to take position in the board-committees; considers remuneration form and criteria; and presents the candidate(s) carefully selected with the nomination process to the Board of Directors (the Board) for consideration or to the Shareholders' Meeting for approval as required by law.

### 2. Composition and Appointment, and Qualifications

#### 2.1 Composition and Appointment

- 2.1.1 The Nomination and Remuneration Committee shall consist of at least three directors, most of whom must be independent directors.
- 2.1.2 The Board shall appoint the Company's directors to serve as Nomination and Remuneration Committee members. Any member of the Nomination and Remuneration Committee, whose term expires, may be re-appointed by the Board.
- 2.1.3 The Nomination and Remuneration Committee shall elect one independent member to take position as Chairman of the Nomination and Remuneration Committee.
- 2.1.4 The Company shall select and propose a staff member to serve as Secretary to the Nomination and Remuneration Committee with the approval of the Committee.

#### 2.2 Qualifications

- 2.2.1 Members of the Nomination and Remuneration Committee must not be the Chairman of the Board or the executive director.
- 2.2.2 Members of the Nomination and Remuneration Committee must devote adequate time to perform their duties in order to achieve the Committee's objectives.



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### 3. Term of Office and Termination

#### 3.1 Term of Office

3.1.1 The term of office of each Nomination and Remuneration Committee member is in accordance with the Board of Directors' term of office.

3.1.2 In the case of any Nomination and Remuneration Committee member vacating the position, resulting in the insufficient number of the committee members, the Board shall appoint another director, who is fully qualified, to replace the resigning member not later than three months from the date of incomplete composition of the Nomination and Remuneration Committee.

#### 3.2 Termination from Office

3.2.1 Members of the Nomination and Remuneration Committee shall immediately be terminated from the position upon;

- Death
- Resignation
- Vacating the position
- The Board of Directors' resolution to vacate the position
- Lack of Qualifications of the Nomination and Remuneration Committee member

3.2.2 In case of members of the Nomination and Remuneration Committee resigning, the resignation letter shall be submitted to the Chairman of the Board of Directors.

### 4. Duties and Responsibilities

#### 4.1 Nomination

4.1.1 Considers the Board of Directors' composition and qualifications of both the Board and individual director to suit the size, type, and complexity of the business focusing on education, knowledge, expertise, skills, experience, and specialization that associate with the Company's; business as well as their independency in accordance to the Company's criteria.

4.1.2 Considers the qualifications of the Chief Executive Officer to suit the Company's business management in order to achieve the Company's objectives, covering education, experience, knowledge, and expertise; as



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well as take the essential and relevant business environment, such as economic and industry trends and business competitiveness into consideration.

- 4.1.3 Defines nomination process and criteria in accordance with the composition and qualifications stated in 4.1.1 and 4.1.2 in compliance with good corporate governance principles.
- 4.1.4 Supervises to ensure that the Company arranges orientation programs and provide welcoming package that is beneficial to the newly appointed director(s) to perform the roles and responsibilities.
- 4.1.5 Develops and review the succession plan for Chief Executive Officer as continuous preparation plan for readiness and successor to ensure the Company's continuity of business management and operation.
- 4.1.6 Encourages the Company to provide opportunity for minor shareholders to propose candidate to be nominated as the Company's director.
- 4.1.7 Selects qualified director(s) to take position in the Board-Committees and table the name(s) to the Board for consideration and approval in the case of vacancy.

### **4.2 Remuneration**

- 4.2.1 Reviews and proposes remuneration form and criteria to suit the responsibilities of the Board of Directors; taking into consideration the Company's overall performance to motivate and retain directors with competency, quality, and potentiality. The Board of Directors is to consider such matter prior to presenting it to the shareholders in the Annual General Meeting of Shareholders for approval.
  - 4.2.2 Conducts the performance evaluation and consider to adjust the appropriate remuneration rate for the Company's Chief Executive Officer before proposing to the Board of Directors for approval.
- 4.3 Reviews the Nomination and Remuneration Committee Charter regularly.
  - 4.4 Responsible for other tasks assigned by the Board of Directors.



### 5. Meetings

#### 5.1 Number of Meetings

5.1.1 The Nomination and Remuneration Committee shall hold at least two meetings per annum. More meetings can be held as deemed appropriate by the Chairman of the Nomination and Remuneration Committee.

5.1.2 The Chairman of the Nomination and Remuneration Committee may convene a special meeting upon request by a member of the Nomination and Remuneration Committee or the Chairman of the Board of Directors to consider any essential and necessary agenda.

#### 5.2 Meeting Participants

5.2.1 Not less than half of all Nomination and Remuneration Committee members shall participate in each meeting to constitute a quorum. The Chairman of the Nomination and Remuneration Committee shall preside over a meeting.

5.2.2 In case the Chairman of the Nomination and Remuneration Committee is not present in the meeting or is unable to perform his/her duties, members of the Nomination and Remuneration Committee shall elect a member to take position of a chairman in the meeting.

5.2.3 The Secretary to the Nomination and Remuneration Committee must participate in every meeting. In case the Secretary to the Nomination and Remuneration Committee is unable to participate in the meeting, the Company shall assign a replacement person to participate in the meeting.

#### 5.3 Voting

5.3.1 The Nomination and Remuneration Committee's resolution shall be passed by the majority votes of the Committee members who attend the meeting and cast their votes. One member shall have one vote. In case of a tied vote, the Chairman of the meeting can cast another vote in determining the vote result.

5.3.2 Any member of the Nomination and Remuneration Committee who has any personal interest in any matter to be considered shall refrain from voting.

#### 5.4 Minutes of Meeting

The Secretary to the Nomination and Remuneration Committee or any designated person shall be in charge of taking minutes of the meeting.



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### 6. Nomination and Remuneration Committee Report

6.1 The Nomination and Remuneration Committee must report to the Board of Directors on the result from nomination and remuneration process, the resolution of the meeting, or related matters as deemed necessary in the following Board of Directors meeting.

6.2 The Chairman of the Nomination and Remuneration Committee must report to the shareholders via the Company's annual report and the Disclosure Report concerning additional information (Form 56-1) on the performance of the Committee.

### 7. Performance Evaluation

The Nomination and Remuneration Committee shall, on a yearly basis, perform self-evaluation and report to the Board of Directors the evaluation result and performance difficulties, which may prevent the Nomination and Remuneration Committee from achieving the objectives.

### 8. Remuneration

The Nomination and Remuneration Committee shall receive appropriate remuneration according to its roles and responsibilities, as approved by the shareholders' meeting.

Announced on May 4, 2016

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(Mr. Kurujit Nakornthap)

Chairman of the Board of Directors

Thai Oil Public Company Limited