
CORPORATE GOVERNANCE COMMITTEE REPORT



Police General Aek Angsanonont
Chairman of the Corporate Governance Committee

Dear Shareholders

Thai Oil Public Company Limited's policy is to conduct business conforming to its good corporate governance principles and the code of conduct, to which the Board of Directors (the Board), the executives, and all staff are aware of the importance and strictly commit. To ensure relentless compliance and continuous improvement, the Board established the Corporate Governance Committee, consisting of three directors, chaired by Police General Aek Angsanonont, with General Thanakarn Kerdnaimongkol and Mr. Yongyut Jantararotai as members. The committee is charged with supervising, monitoring, and promoting company business to ensure the compliance with corporate governance and the code of conduct policies and guidelines.

This year the committee held three meetings as planned under the approved supervision plan, with full attendance of directors serving as members in a given period, and carried out all duties indicated in its charter completely complying with the duties and responsibilities of directors under all four aspects of the Stock Exchange of Thailand (SET) guidelines. The outcomes of recommendations and advice on key corporate governance activities and operations are regularly reported to the Board. The highlights are as follows:

1. Defining, Developing, and Improving Corporate Governance Policies and Guidelines in accordance with Laws, Regulations, and Best Practices

- >> Endorsing and providing recommendations on the plan of 2017 Annual General Meeting of Shareholders (AGM), which was successfully held under the good Corporate Governance principles, and complied to SET's AGM checklists with Thailoil receiving a full score. The Committee also acknowledged the report on 2017 AGM survey, and provided additional advices to the executives for future improvement
- >> Acknowledging the Office of the Securities and Exchange Commission's (SEC) Corporate Governance Code for Listed Companies 2017 (CG Code 2017), and its assessment against Thailoil's existing practices

>> Endorsing the results of 2017 Board performance assessment as well as the assessment form for 2018 Board performance

2. Supervising, Promoting, and Monitoring to Ensure Compliance with Corporate Governance Policy, Anti-Corruption Policy, and Code of Conduct

>> Endorsing and providing recommendations on Thairoil's 2018 development plan of Corporate Governance, Code of Conduct, anti-corruption, and fair treatment of stakeholders with the focus on relentlessly improving methods to implant corporate governance and the code of conduct as corporate culture for Thairoil and Subsidiaries' staff. The committee also constantly encourages the monitoring of legislation and corporate governance measures both national and international levels for Thairoil's adaptation, while promoting fair and equitable treatment for stakeholders and providing key recommendations for efficiently developing good corporate governance principles and code of conduct guidelines

3. Supporting and Advising Thairoil to Undertake Corporate Governance Assessment

>> Reviewing the assessment results of the Corporate Governance Report of Thai Listed Companies Project (CGR) as well as advising on amendment and development of guidelines in line with the criteria and recommendations from such assessment

4. Supervising and monitoring of Sustainable Development (SD) and Corporate Social Responsibility (CSR)

>> Endorsing the 2018 CSR development plan and providing recommendations on the development

of CSR operations embracing the administration of communities surrounding the refinery, national social development programs, and joint projects with PTT Group including the establishment of Sarn Palung Social Enterprise and activities to aid natural disaster victims

>> Endorsing the 2018 SD plan and providing recommendations on sustainability operations and management of future challenges

With the firm intention to conform to corporate governance, CSR, and sustainability management, Thairoil's performance was widely recognized both nationally and internationally. This is evidenced with the fifth consecutive year of Dow Jones Sustainability Indices (DJSI) membership, and the fourth consecutive year of Energy Industry Group Leader. Moreover, Thairoil was acclaimed the Honorable Mention as a transparent organization at the 7th NACC Integrity Awards event, hosted by the Office of the National Anti-Corruption Commission. The Company also earned an "Excellent" score (90-100 marks) from the Corporate Governance Reports of Thai Listed Companies (CGR) assessment for 2017 conducted by Thai Institute of Directors Association (IOD) for the ninth consecutive year and a "SET Sustainability Awards of Honor", the most prestigious award presented to those companies that achieve such distinction for third consecutive years.

These accolades announce Thairoil's business standards under corporate governance in parallel with social responsibility and sustainable management arising from the cooperation among the Board of Directors, the executives, and all staff. The Corporate Governance

Committee is, therefore, highly convinced that Thairoil will not only achieve its business goals, but also win stakeholders' confidence and generate high benefits for them, leading to the international recognition and to becoming a sustainable organization.

January 12, 2018

On behalf of the Corporate Governance Committee



(Police General Aek Angsanant)

Chairman of the Corporate Governance Committee

Thai Oil Public Company Limited