

RISK MANAGEMENT COMMITTEE REPORT



Mr. Auttapol Rerkpiboon
Chairman of the Risk Management Committee

Dear Shareholders

To achieve business goals while promoting confidence and credibility among investors and stakeholders, this year the Risk Management Committee (RMC) made utmost efforts to support the Board of Directors (the Board) on supervising the corporate risk management. The current Committee consists of the knowledgeable, competent, and experienced directors with mastery of the business as follows:

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| 1. Mr. Auttapol Rerkpiboon | Chairman |
| 2. Mr. Noppadol Pinsupa | Member |
| 3. Ms. Phannalin Mahawongtikul | Member |
| 4. Mr. Atikom Terbsiri | Member |

Performance Outcomes of 2018

The RMC defined and reviewed the corporate risk management framework and policy, as well as processes indicated in the Risk Management Committee Charter, efficiently providing recommendations on suitable approaches for risk management in line with strategic directions and business plans. It also constantly and efficiently supported and improved risk management practices throughout the corporation on a par with international standards to forge a corporate culture. This year, the Committee held seven meetings with the following highlights:

1. Endorsed Thail's risk appetite, risk profile, mitigation plan, Key Risk Indicators (KRIs) and the revision of corporate risk management plan
2. Endorsed the oil hedging framework, as well as target prices, before tabling for the Board's approval
3. Endorsed risk management plans of the following key projects before tabling for the Board's approval:

- 3.1 Risk management plan for Clean Fuel Project (CFP)
- 3.2 Risk management plan for the issuance and offering US dollar bonds in support of CFP construction through Thairoil Treasury Center Co., Ltd.
- 3.3 Risk management plan for the investor for the Energy Recovery Unit (ERU)
- 3.4 Liability management scope under the Global Medium-Term Note (GMTN) program
- 3.5 Investment management approach for Global Power Synergy Plc's Helium Project and the guidelines for Thairoil and Thairoil Power Co., Ltd. to endorse such project
- 3.6 Risk management plan for Thairoil's Corporate Venture Capital (CVC) Project
- 3.7 Risk management plan on guidelines for restructuring the ethanol business phase 2 (Project Diet)
4. Endorsed the appointment of the secretary to RMC
5. Monitored and advised on the Q1/2018 - Q4/2018 corporate risk management outcomes
6. Monitored and advised on the outcomes of oil hedging for Q4/2017, January-February 2018, and Q1-Q4/2018
7. Monitored ongoing projects' risks and provided recommendations on risk management updates on Jetty Expansion Project, Thairoil Sriracha Buildings Project, TOP Crude Oil Tank, IDEA Project for basic infrastructure on the refinery compound
8. Acknowledged the RMC performance for 2018

The Risk Management Committee concluded that this year Thairoil has developed its corporate risk management system to embrace all aspects of risks and commanded continual risk management practices in line with prevailing circumstances. The RMC meetings were arranged regularly to promptly review key and urgent risks, rendering Thairoil and Subsidiaries' risk management effectiveness. Thairoil indeed commanded key corporate risk management practices that have proved efficient and suitable, with risks controlled within indicated risk appetite.

November 16, 2018

On behalf of the Risk Management Committee



(Mr. Auttapol Rerkpiboon)

Chairman of the Risk Management Committee
Thai Oil Public Company Limited