

# NOMINATION AND REMUNERATION COMMITTEE REPORT

## To the Shareholders

To align with corporate governance guidelines for listed companies, the Board of Directors has appointed a Nomination and Remuneration Committee, consisting of at least three directors, most of whom must be independent and none of whom is to be either the Chairman of the Board or the CEO. Members of the committee must be knowledgeable and experienced, and must understand the qualifications, duties, and responsibility, apart from being able to devote adequate time to the fulfillment of the committee's duties. These duties, together with committee members' qualifications, are spelled out in the Nomination and Remuneration Committee Charter.

The committee deliberates recruitment criteria, approaches, and processes together with suitable compensation for the Board and sub-committees for the consideration of the Board before tabling them to the shareholders' meeting for approval every year. Compensation of the CEO, also deliberated by this committee, is proposed for approval by the Board.

The present Nomination and Remuneration Committee consists of

1. Mr. Goanpot Asvinvichit      Chairman (Independent Director)
2. Ms. Puongpech Sarakun      Member (Independent Director)
3. Mr. Tevin Vongvanich      Member

## Meetings and Performance

The committee performed all its duties spelled out in the charter and met three times, with perfect attendance, as shown on page 97. A summary of these meetings appears below:

1. For the CEO, assessed his performance and decided his salary rise commensurate with his performance against the criteria of the job, effective from January 1, 2010
2. Encouraged Thairoil to allow minor shareholders to propose agenda items and nominate directors for election at least three months ahead of the shareholders' meeting through Thairoil's website
3. Recruited and deliberated persons for the Board's consideration before tabling their names to the shareholders' meeting for approval to replace directors that completed their terms this year
4. Based the Board's compensation this year on criteria linking compensation to Thairoil's overall performance against listed companies of the same business group, as well as Thairoil's dividend payment
5. Recruited and nominated qualified persons to replace directors that had withdrawn their names before approval was sought at the shareholders' meeting

6. Recruited and nominated directors for seats on the Nomination and Remuneration Committee, Audit Committee, and Corporate Governance Committee to the Board for appointment in place of vacated posts
7. Recruited and nominated qualified persons to the Board for appointment in place of members who resigned before completing their terms
8. Organized an election for Chairman of this committee to replace the former one, who resigned from the post. This committee's meeting No. 3/2010 of June 4, 2010, endorsed Mr. Goanpot Asvinvichit as Chairman of the Nomination and Remuneration Committee in place of Mr. Nontigorn Kanchanachitra, with effect from June 4, 2010 onward.

January 24, 2011

On behalf of the Nomination and Remuneration Committee



**(Goanpot Asvinvichit)**

Chairman of the Nomination and Remuneration Committee  
Thai Oil Public Company Limited