

## 05 / CORPORATE GOVERNANCE COMMITTEE REPORT

### Adjunct Professor

#### Dr. Thosaporn Sirisumphand

Chairman of the  
Corporate Governance Committee  
Thai Oil Public Company Limited



### To the Shareholders

To turn Thaioil into a sustainable organization, adherence to corporate governance (CG) represents one of Thaioil's policy items and missions, a point valued and committed to by the Board of Directors, executives, and all employees over the years. To this end, the Board appointed the Corporate Governance Committee, which currently consists of Adjunct Professor Dr. Thosaporn Sirisumphand (as Chairman), Mr. Yongyut Jantararotai, and Mr. Praipol Koomsup. This committee is assigned by the Board to define CG policies and guidelines, set business ethics standards, and monitor business conduct, while ensuring that Thaioil's business is based on good governance principles. It also advocates and mentors on third-party assessment of CG standards to promote international acceptance, while advocating and promoting extensive adoption of business values under CG principles among all executives and employees to turn such values into a corporate culture.

This year, the committee held five meetings and fulfilled all its charter-defined duties by approving and endorsing key CG activities and plans summarized below:

1. Endorsed a self-assessment form for anti-corruption measures and reference evidence for use in applying for a membership certificate of the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). Thaioil secured this certificate in April 2014.
2. Endorsed a revised draft of the CG and Code of Conduct Manual, featuring criteria and guidelines conforming to the prevailing CG standard, including Good Governance Principles for Listed Companies (issued by the Stock Exchange of Thailand, SET), assessment criteria for listed companies' CG Report (issued by IOD), and Dow Jones Sustainability Indices (DJSI) assessment.
3. Endorsed practical guidelines on Board meetings to deliberate agenda items where directors have vested interests and guidelines for handling confidential agenda items.
4. Endorsed criteria for executives and employees invited to serve in other companies, units, or entities, particularly the CEO/President, executives, and employees.
5. Endorsed the amended performance assessment forms for the Board for 2014. Specifically, the Board and Board-Committee assessment forms were made clearer and covered the performances of the Board-Committees as well as the responsibilities spelled out in their respective charters. Finally, the committee endorsed Thaioil's disclosed assessment outcomes of the four Board-Committees in the annual report.
6. Approved CG activity plans for 2015 to enable the Company's business to conform to CG principles and internationalize CG practices; promote confidence among shareholders and stakeholders; and stimulate and cultivate values among all employees for their strict conformance to CG and business ethics.

This year, Thailoil executed the action plans endorsed by this committee by staging activities to stimulate and underscore CG awareness and the code of business conduct among all, while running assorted projects covering all its stakeholders so as to elevate its CG standard. A case in point is the development of the Thailoil Group Suppliers Code of Conduct to promote a common understanding among Thailoil Group and its business partners of business conduct on the basis of sustainability, which is communicated to business partners through various channels. This committee, executives, and employees also participated in the PTT Group CG Day 2014 activities staged by PTT Group companies to not only drum up awareness of CG's importance and benefits, but also promote creative cooperation in PTT Group's campaign against corruption.

Thailoil's commitment to CG and earnest intention, has earned acceptance from various entities, institutes, companies, and agencies worldwide this year.

### International Acceptance

- >> World-class acceptance due to the DJSI membership in 2014 for the second consecutive year with a maximum score, recognized as the Energy Industry Group Leader.
- >> The Strongest Adherence to CG Award at the 4<sup>th</sup> Annual Southeast Asia Institutional Investor Corporate Award event for 2014, based on a survey of investors and analysts of leading Southeast Asian companies conducted by Alpha Southeast Asia, a leading publication on international finance and investment.
- >> The Assets Excellence in Management and Corporate Governance Awards 2014 (Platinum Level) award, presented by The Assets, Asia's leading finance journal.
- >> Asia's Outstanding Company on Corporate Governance Award, in its second consecutive year, under the Corporate Governance Asia Recognition Awards 2014 Project, presented by the Corporate Governance Asia journal.

### Domestic Recognition

- >> Membership certificate under CAC (Private Sector Collective Action Coalition Against Corruption).
- >> SET Award of Honor for CG and Corporate Social Responsibility with continued excellence (2012-2014), at the SET Awards 2014 event, hosted by SET.
- >> "Excellent" Corporate Governance Report of Thai Listed Companies 2014 Award, which is the ultimate award, for the sixth straight year, presented by Thai IOD.
- >> Recognition for outstanding achievements on social development (CSR entity of excellence), presented by the Ministry of Social Development and Human Security.
- >> One of 19 Thai listed companies to undergo assessment for outstanding corporate governance practices under the ASEAN CG Scorecard criteria.

These accolades speak volumes of not only Thailoil's standard for CG and ethics, but also its coordination, development, and promotion to upgrade business conduct under CG on the part of the Board, executives, and employees in tandem with responsibility to society and the environment. These essential factors have convinced the Corporate Governance Committee that Thailoil will achieve its business goals and grow with quality, which will benefit shareholders, stakeholders, society, and the nation. Ultimately, Thailoil is bound to become a sustainable entity.

January 8, 2015

On behalf of the Corporate Governance Committee



**(Adjunct Professor Dr. Thosaporn Sirisumphand)**  
Chairman of the Corporate Governance Committee  
Thai Oil Public Company Limited