

## CORPORATE GOVERNANCE COMMITTEE REPORT



**ACM Suthipong Inseepong**  
Chairman of the Corporate Governance Committee

### To the Shareholders

One of Thairoil and Subsidiaries' key policies and missions is to operate business complying with the good Corporate Governance (CG) and the Code of Conduct, to which the Board of Directors (the Board), executives, and employees of Thairoil and Subsidiaries valued and are committed. To ensure the Company's compliance with the aforementioned policies, the Board appointed and assigned the Corporate Governance Committee to steer, monitor, and promote the businesses of Thairoil and Subsidiaries under the policy and guidelines for CG and the Code of Conduct. The Committee consists of three members with Air Chief Marshal (ACM) Suthipong Inseepong as Chairman, with Adjunct Professor Dr. Thosaporn Sirisumphand and Mr. Yongyut Jantararotai as members.

This year the Committee carried out all duties as prescribed in the Committee Charter and as assigned by the Board, with five meetings held as planned. All members of a given period were present at each meeting. The resolutions, recommendations and advice on key CG activities and tasks are summarized as followed:

#### 1. Developing, Improving, and Governing Business Operation to Comply with Laws, Regulations, and Best Practices

- >> Advising on and endorsing the 2016 plan for Annual General Meeting of Shareholders (AGM), successfully held under the good CG and the Thai Investors Association's AGM checklists, which Thairoil scored full marks. The Committee also acknowledged the 2016 AGM quality assessment, and provided recommendations to the executive for future improvement;
- >> Reviewing details on criteria for shareholders' proposal of AGM agenda items and nomination of Directors at the 2017 AGM, to ensure that such criteria clearly align with CG and best practices for leading companies. Shareholders were entitled to submit their proposal of agenda and names of qualified persons to be nominated as Directors including related information for the Board's consideration from September 30 to December 31, 2016;
- >> Reviewing complaint-making and whistle-blowing process so that the procedures against complaints become more transparent and efficient, in line with SET's whistle-blowing guidelines;

- >> Endorsing reference data and evidence prepared by the executive under their self-assessments concerning anti-corruption measures for the re-certification of Private Sector Collective Action Coalition against Corruption (CAC);
- >> Reviewing assessment outcomes of the Corporate Governance Report of Thai Listed Companies (CGR) Project, and providing recommendations for the improvement and development of guidelines to ensure the alignment with CGR criteria and recommendations.

## 2. Promoting Compliance with the Corporate Governance Policy, Anti-Corruption Policy, and Sustainable Development

- >> Providing recommendations and endorsing Thairoil's 2017 Corporate Governance (CG), anti-corruption, and stakeholders' treatment development plans with the focus on relentless cultivation of corporate culture on the good CG and the Code of Conduct for Thairoil and Subsidiaries' employees; constant legislation/standard tracking both domestic and overseas CG measures for Thairoil's further application; promoting fair and equitable treatment for stakeholders; and extending to business partners and stakeholders the advices or suggestions on the good CG and the Code of Conduct;
- >> Endorsing the 2017 Corporate Social Responsibility (CSR) development plan for communities around the refinery including education, environment conservation, energy and natural resources, and community members' quality of life. Thairoil also has development plans for remote communities utilizing the Company's knowledge, experience, and expertise in engineering and energy to benefit the particular area;

- >> Endorsing the 2017 Sustainable Development (SD) plan. The Committee provided recommendations for improvements of the SD plan and the management of future challenges.

## 3. Assessing the Board Performance

- >> Endorsing the 2015 assessment of the Board performance as well as the 2016 Board's performance assessment forms.

Due to its strong intention to operate businesses under the good CG, the CSR, and the sustainability management, Thairoil's 2016 performance was widely recognized both nationally and internationally. Evidently, Thairoil for four consecutive years, was selected as a member of Dow Jones Sustainability Indices (DJSI), maintaining the top score and recognition as Energy Industry Group Leader for the third year in a row. The Company also achieved the "Excellent" score (90-100 marks) from 2016 CGR's assessment for the eighth consecutive year. Additionally, Thairoil was named by SET among the "Sustainable Stocks" at the Thailand Sustainability Investment 2016 event. Finally, Thairoil also garnered the "Excellence" award for the 2016 SD report, the CSR-DIW Continuous Award for a fifth consecutive year, and the Outstanding Investor Relations Award (Resources category) at the IAA Awards for Listed Companies 2015/2016.

The Corporate Governance Committee is committed to promoting, developing, and governing Thairoil's business to be in line with the good CG, the CSR, and the sustainable development. This is in accordance with the mission, "To emphasize good Corporate Governance and commit

to Corporate Social Responsibility,” resonating Thairoil's capability of sustainable growth, benefit generation, trustworthiness, and international acceptance which leads to Thailand's advantage in general.

January 19, 2017

On behalf of the Corporate Governance Committee



(ACM Suthipong Inseepong)

Chairman of the Corporate Governance Committee