

NOMINATION AND REMUNERATION COMMITTEE REPORT



ACM Suttipong Inseepong
Chairman of the Nomination
and Remuneration Committee

Dear Shareholders

As stated in its charter, the Nomination and Remuneration Committee (NRC) consists of at least three directors, most of whom must be independent and none of whom is Chairman of the Board of Directors (the Board) or executive directors. The committee consists of three directors, chaired by Air Chief Marshal Suttipong Inseepong (an Independent Director), with Ms. Chularat Suteethorn (an Independent Director) and Mr. Sarun Rungkasiri (a Director) as members, and Assistant Executive Vice President – Corporate Governance serving as NRC secretary. In accordance with the stated process, the committee nominates individuals whose qualifications meet the indicated criteria to be appointed as directors, Chief Executive Officer (CEO), and Board-Committee members. It also reviews the forms and criteria for directors' remuneration before tabling to the Board for endorsement and to shareholders for approval respectively.

This year, the NRC completely fulfilled its tasks as indicated in its charter, holding six meetings with full attendance of directors who served as members at different time. (The meeting attendance details appear on page 104.)

This year highlights of performance are as follows:

1. Assessed the CEO's performance before tabling to the Board for the consideration of salary adjustment;
2. Revised the criteria and added the process of CEO's performance assessment with a focus on assessment against his key performance indices (KPIs) and leadership, about which the Board is to notify CEO by the end of the first quarter each year;
3. Nominated and selected experts for directors' appointment in line with the stated processes and criteria before tabling to the Board or shareholders for approval as required by law. To this end, the Directors' Pool of the State Enterprise Policy Office and the list of Thai Institute of Directors Association's Chartered Directors (IOD Chartered Directors) were consulted in conjunction with both overall and individual qualifications of the Board to match the Company's size, nature, and business diversity. The committee scrutinized qualifications including education, knowledge, expertise, skills, experience, specialized competencies related to Thail's businesses, and independence as defined by corporate criteria;
4. Nominated and selected qualified candidate(s) in replacement of directors who resigned before term

completion, as well as members of Board-Committee, namely the Nomination and Remuneration Committee, the Audit Committee, the Corporate Governance Committee, and the Risk Management Committee, before tabling to the Board for the consideration and approval of the appointment to fill the vacancies upon directors' resignation or term completion;

5. Reviewed the Board's 2017 remuneration by benchmarking with peer companies of the same industry to ensure its suitability with Directors' responsibilities and in accordance with the Company's overall performance. The proposal of which was endorsed by the Board and later approved by the shareholders in the Annual General Meeting of Shareholders (AGM);
6. Ensured orientation arrangement and helpful documents distribution for new directors;
7. Encouraged minor shareholders to propose agenda items and nominate directors for election by announcing to shareholders at least three months before the 2018 AGM, from September 29 to December 31, 2017;
8. Assessed its own performance and reported the findings to the Board.

January 24, 2018

On behalf of the Nomination and Remuneration Committee



(ACM Suttipong Inseepong)

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