

NOMINATION AND REMUNERATION COMMITTEE REPORT



Air Chief Marshal Suttipong Inseepong
Chairman of the Nomination
and Remuneration Committee

Dear Shareholders

Recognizing the influencing roles of directors in supervising and driving the organization toward success, Thairoil has always been aware of the significance of the nomination and remuneration process, which must be appropriately executed and comply with the corporate governance principles. The Board of Directors (the Board), therefore, appointed the Nomination and Remuneration Committee (NRC) to work as designated by NRC processes and rules on the nomination of candidates with proper qualifications to assume directorship and the highest executive position of Thairoil. The Committee also selects directors for Board-Committee. Moreover, the NRC considers types and criteria for directors' remuneration, which is to be proposed to the Board and shareholders' meeting, as required by law.

As indicated in NRC Charter, the Committee consists of at least three directors, most of whom are to be independent. The current Committee is chaired by Air Chief Marshal Suttipong Inseepong (Independent Director), with Ms. Chularat Suteethorn (Independent Director) and Mr. Auttapol Rerkpiboon as members.

During 2018, the Committee completed all duties designated in the NRC Charter with a total of five meetings. All NRC members serving at different periods attend all meetings (details appear on page 111)

The 2018 highlights of the NRC performance are as follows:

1. Sought and nominated experts with qualifications indicated in Corporate Governance and Code of Conduct Manual for directors' appointment whose process and execution must be in line with corporate governance before tabling for the Board's or the shareholders' approval, as required by law. To this end, the Directors' Pool of the State Enterprise Policy Office and the director list of Thai Institute of Director Chartered Director were exploited in conjunction with other related factors including the overall composition of the Board and the individual qualifications of director to fit the Company's size, nature, and business complexity and diversity. The scrutinized qualifications include education, expertise, skills, experience, specialized

- competencies related to Thairoil's businesses, and independency as defined by corporate criteria.
2. Sought and nominated directors for four Board-Committees consisting of the Nomination and Remuneration Committee, the Audit Committee, the Corporate Governance Committee, and the Risk Management Committee, before tabling for the Board's consideration and appointment of such directors to fill the vacancies upon directors' resignation or term completion.
 3. Reviewed the Board's remuneration for the year 2018 and sought its approval in line with the process required by law. The consideration of remuneration was made of the appropriateness and performances against their roles and responsibilities, which were also in accordance with Thairoil's overall performance. The Board's remuneration and compensation were also benchmarked with that of peer companies in the same industry (energy/petroleum/petrochemical), with the overall business environment considered.
 4. Encouraged and supported Thairoil to allow minor shareholders to propose agenda and nominate candidates for directorship. The announcement of which was made at least three months ahead of the 2019 Annual General Meeting of Shareholders through Thairoil's website.
 5. Ensured the conduct of orientation and the distribution of helpful documents or manuals for new directors
 6. Assessed the performance of Thairoil's Chief Executive Officer and President as well as considered the adjustment of the salary before tabling for the Board's consideration and approval.
 7. Assessed the NRC performance and reported the outcomes to the Board for acknowledgment.

January 17, 2019

On behalf of the Nomination and Remuneration Committee



(Air Chief Marshal Suttipong Inseepong)

Chairman of the Nomination and Remuneration Committee

Thai Oil Public Company Limited