

06 / RISK MANAGEMENT COMMITTEE REPORT

Mr. Apisak Tantivorawong

Chairman of the
Risk Management Committee
Thai Oil Public Company Limited



To the Shareholders

The Board of Directors of Thai Oil Public Company Limited appointed the Risk Management Committee to steer corporate risk management and fulfill the Company's goal achievement, fostering confidence and credibility among investors and stakeholders. The current committee consists of three members who are competent and experienced in this business:

1. Mr. Apisak Tantivorawong Chairman of the Risk Management Committee (Independent Director)
2. Mr. Twarath Sutabutr Member of the Risk Management Committee (Director)
3. Mr. Atikom Terbsiri Member of the Risk Management Committee (Director / Chief Executive Officer and President)

Performance in 2014

As defined in its charter, the committee defined and reviewed the corporate risk management framework, policies, and processes. It also provided guidance to the risk management approach in line with Thairoil's business direction, operating strategies, and plans, while supporting continuous, efficient development of internationally accepted risk management throughout Thairoil to form a corporate culture. This year, the committee met 10 times, with the following summary of actions:

1. Acknowledged and endorsed for the Board's consideration the assessment outcomes of Thairoil Group's risk management processes for 2013 by consultant Ernst & Young, together with the Group's corporate risks and risk management plans for 2014, its Business Continuity Management (BCM) and risk management committee report for 2014, and the risk management plan for 2015.
2. Acknowledged and endorsed for the Board's consideration the assessment outcomes and business impacts resulting from new ideas on energy reform and the World Economic Forum's Global Risks 2014.
3. Endorsed for the Board's consideration the amendment and addition of the framework for product and crude oil price risk management; amendment to target prices concerning spread risk management for product and crude oil prices for 2015 and 2015-2016; the strategic framework for risk management for product and crude oil prices and guidelines for risk management for inventory crude oil as of December 2014 to accommodate the volatile crude oil price and product spreads.

4. Endorsed for the Board's consideration risk management plans for key investment projects of the Group.
5. Endorsed for the Board's consideration risk aspects of issuing and offering domestic Baht-denominated debentures and fund ceiling expansion for intercompany loans to affiliates.
6. Acknowledged and provided recommendations on operating plans, investment plans, and risk management of affiliates.
7. Provided recommendations to promote the development of corporate risk management for greater efficiency and effectiveness.

On the whole, the Risk Management Committee considers that, for the past year, the Company has developed its corporate risk management practices to cover all risk factors, with continued risk management in line with evolving circumstances. The committee held regular meetings, with timely special meetings held to review key, urgent risks, leading to effective risk management for the Group. The Company has efficiently and suitably managed key corporate risks, while keeping them manageable.

January 23, 2015

On behalf of the Risk Management Committee



(Mr. Apisak Tantivorawong)

Chairman of the Risk Management Committee
Thai Oil Public Company Limited