

Report of the Corporate Governance Committee

Dear Shareholders,

The Corporate Governance Committee is comprised of Professor Surapon Nitikraipot, chairman of the Committee, Colonel Nithi Chungcharoen, and as of November 1st, 2015, the Board of Directors appointed Mr. Auttapol Rerkpiboon (to replace Mr. Sarun Rungkasiri who was appointed to the Risk Management Committee) and also appointed Mr. Don Wasantapruet to the Committee, having 4 members in total.

In 2015 the Corporate Governance Committee, both former members and new appointees, has successively duly performed its duties set forth in the Company's charter and executed its tasks mandated by the Board of Directors. The Committee held a total of six meetings. Below is a summary of key developments:

1. Monitoring full compliance with applicable regulations, laws and good practice guidelines

- The Committee reviewed administration plan for convening the Annual General Shareholders' Meeting (AGM), and made suggestions to ensure that the AGM is carried out in an orderly, transparent, and efficient manner, in line with good corporate governance guidelines and in compliance with the Stock Exchange of Thailand's AGM Checklist. As a result, the Company's AGM has consecutively been awarded a perfect 100 percent score for its organizational distinction.
- The Committee supervised the stipulation of principles and a timeframe for minority shareholders to provide them opportunity to propose meeting agenda items and nominate any person to be elected as the Company's directors by submitting their proposal to the Company more than three months (from September 28th to December 31st, 2015) prior to the 2016 AGM date in order to promote shareholders' rights and equality. The Committee also reconsidered the number of proportion of shares held by minority shareholders entitled to propose agenda items and nominate any person to be director and lowered the number from 0.5 percent to 0.1 percent. This new principle is to be in effect from the 2016 AGM onwards.
- The Committee oversaw the review and revision of the Corporate Governance handbook to be in line with local guidelines and international standard, including IOD's CGR, CAC's anti-corruption self-evaluation, ASEAN CG Scorecard, and DJSI. Additionally, the Committee ensures that PTTCG's global subsidiaries follow similar corporate governance guidelines and that they disseminate the Company's business code of conduct to customers, trade partners and business partners to inform them of our business objectives.

2. Contribute to compliance with good corporate governance and business code of conduct policies

- The Committee considered and approved the Company's corporate governance and corporate compliance plans for 2016, as well as reviewed reports of the previous year's operations, to continuously align the Company's corporate governance practices with accepted international standards.
- The Committee reviewed the reporting of good corporate governance activities in the Company's 2015 Annual Report and in Form 56-1, ascertaining complete disclosure and in accordance with good corporate governance guidelines. It also evaluated the Company's Corporate Governance to make certain that the Company's practices align with Thai and international standards. Consequently, the Company was awarded TOP 5 ASEAN PLCs and TOP 3 Domestic PLCs (Thailand) by the ASEAN Capital Market Forum (ACMF) from the ASEAN CG Scorecard.

- The Committee considered and approved the review of anti-corruption measures. Updates were made to the self-evaluation form. Risks of corruption in the Company's operations were also assessed in accordance with guidelines and conditions of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).

3. Supervision of sustainable development operations

- The Committee continually supervises and monitors the Company's operations on its responsibility toward the various groups of stakeholders to ensure that concrete actions are taken and assessment on sufficiency are made for improvement and development. It also monitors the Company's operations that may have an effect on communities, society and the environment; responsible units submit a summary report of their progress to the Committee, informing it of the comprehensive situation, future countermeasure plans, preventive measures, remedy and aid, social, economic and environmental follow-ups and rehabilitation.
- The Committee supervises and monitors reporting of sustainable development operations as part of good corporate governance. This includes periodical report as deemed appropriate, field visit to Rayong province to participate in local community activities and to meet with employees at Rayong Office. The visit allowed the Committee to exchange views and hear problems directly from community leaders.

4. Performance, assessment and development

- The Corporate Governance Committee preset the date of its meetings over a year. This enabled the Committee to consider and acknowledge various matters, including future plans, and to effectively make recommendations to management.
- Questions in the 2015 operations assessment questionnaire were updated in accordance with the Stock Exchange of Thailand's guidelines, the Board of the Year project as well as the international standards such as DJSI and ASEAN CG Scorecard and local standards such as CGR and CAC. The update aims to clarify any ambiguity and make the questionnaire more relevant to current events.
- The Committee considered and reported to the Board of Directors the result of its 2015 performance assessment.

The Board of Directors, management and employees of all levels believe in the importance of good corporate governance practices, that they enable the Company to operate efficiently and sustainably. The Corporate Governance Committee is dedicated to ensure the Company's strict compliance with its good corporate governance and business code of conduct policies. The Committee shall endeavor to unceasingly develop our corporate governance in reflection of international practices to earn confidence from our stakeholders as well as global recognition to our Company and its operations now and in the future.

On behalf of the Corporate Governance Committee

(Signed) Surapon Nitikraipot

(Professor Surapon Nitikraipot)

Chairman of the Corporate Governance Committee