

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

Dear Shareholders,

The Corporate Governance Committee of 2016 is comprised of Professor Surapon Nitikraipot (Chairman), Mr. Don Wasantapruerk, Colonel Nithi Chungcharoen and Mr. Auttapol Rerkpiboon. We have duly performed our duties set forth in PTTGC's Corporate Governance Committee Charter and executed the tasks mandated by the Board of Directors. The Committee held a total of five meetings. Below is a summary of key developments:

1. Ensuring compliance with applicable laws, regulations and best practices

- The Committee has reviewed the preparation plan for the annual general shareholders' meeting (AGM) to ensure orderly, transparent and efficient organization of the AGM according to good corporate governance guidelines and in compliance with the AGM Checklist. As a result, PTTGC's AGM has been awarded a perfect score of 100 for the fifth consecutive year for its organizational and operational qualities.
- The Committee has ensured that minority shareholders were given an opportunity to propose meeting agenda items and nominate persons to be elected as members of the Board of Directors more than three months in advance of the 2017 AGM date (September 20th - December 31st, 2016). To promote shareholders' rights and equality, the Committee has amended the minimum number of shares required to be held by a shareholder to submit a proposal from no less than 0.5 percent to no less than 0.1 percent without stipulating the length of shareholding.
- The Committee has overseen operational processes to prevent violation of the rules, regulations and laws that govern the PTTGC Group's businesses and to minimize risks that could arise as a result of such violation. Additionally, we have provided guidelines to improve PTTGC's whistleblower program, creating more transparency and efficiency.

2. Securing compliance with Good Corporate Governance and Business Code of Conduct

- The Committee has formulated the 2017 Corporate Governance and Corporate Compliance Plans, aligning them with PTTGC's strategies. We have also reviewed the previous year's performance, including that of companies in PTTGC Group.
- The Committee has reviewed the Corporate Governance report in the 2016 Annual Report and in Form 56-1 to ensure complete disclosure of information and compliance with good corporate governance guidelines at both domestic and international levels. As a result of this practice, PTTGC was once again named "Excellent" in the CGR Awards.
- The Committee has advised on the review of PTTGC's anti-corruption measures and the preparation of operational data according to the self-evaluation form of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).
- The Committee has advised on the implementation of regulations according to the criteria of the NACC Integrity Awards.