

Notification of the Board of Directors No. 1/2559
Re: Compensation Committee Charter B.E. 2552, Revision 1 B.E. 2559

The Board of Directors deemed appropriate to formulate the Compensation Committee Charter B.E. 2552 in order to clarify the compositions and responsibilities of the Compensation Committee of Banpu Public Company Limited announced on June 24, 2009.

In order to enhance those practice guidelines, the Board of Directors Meeting No. 6/2016 which was arranged on 26 May 2016 has determined to revise “the Compensation Committee Charter B.E.2552, Revision 1 B.E. 2559” with the purpose of being the substitute practice guidelines of the Compensation Committee.

Please be notified accordingly

Notified on 13th June 2016

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(Mr. Chanin Vongkusolkit)
Chairman of the Board of Directors

Compensation Committee Charter
B.E. 2552

The Board of Directors deemed appropriate to formulate the Compensation Committee Charter B.E. 2552 in order to gather the compositions, duties, responsibilities and practice guidelines of the Compensation Committee entrusted by the Board of Directors. Therefore, the Board of Directors formulated the above-mentioned charter in writing which are as follows:

Clause 1. This Charter shall be called the “Compensation Committee Charter B.E.2552”.

Clause 2. This Charter shall be enforced as from the executed date of the Chairman of the Board of Directors.

Clause 3. Compositions and Criteria of the Compensation Committee:

- 3.1. The Compensation Committee shall consist of at least three directors appointed by the Board of Directors.
- 3.2. The Chairman of the Compensation Committee shall be the independent director.
- 3.3. The Chairman of the Compensation Committee can be a member of only another sub-committee.
- 3.4. The committee members shall be non-executive directors.
- 3.5. The Chief of the Human Resources Department shall be the secretary to the Compensation Committee.

Clause 4. Term of Office and Retirement

- 4.1. The committee members shall serve a term of office of three years as from the date on which they are appointed from the Board of Directors.
- 4.2. The committee members who retired by their rotation are eligible for re-election, which shall be considered by the Corporate Governance and Nomination Committee in accordance with the nomination procedures.
- 4.3. The committee member who wishes to resign before the expiration of his term of office shall give a notice thereof to the Board of Directors 1 month in advance with reason.

Clause 5. Duties and Responsibilities of the Compensation Committee¹

The Compensation Committee’s duty is to provide suggestions related to compensation management to the Board of Directors for approval or for submission to the shareholders’ meeting, as the case may be, which are as follows:

¹ The Duties and Responsibilities of the Compensation Committee are in accordance with the Notification of the Board of Directors No. 3/2004.

- 5.1. To recommend guidelines on how to compensate, methods of compensation payments and other benefits to the Board of Directors, other committees appointed thereby and any other persons attending Board of Directors meeting and/or Subcommittee meeting.
- 5.2. To consider and recommend compensation amounts and other benefits by taking duties and responsibilities of the Chief Executive Officer into consideration and by reviewing evaluation criteria to determine a right annual remunerations.
- 5.3. To review a compensation structure, compensation rules and regulations as stated in Clause 1 and 2 to suit the person's duties and responsibilities, Banpu's operating results and marketing conditions.
- 5.4. To review overall budgets for salary increase, annual bonus payments and provisions of other staff's fringe benefits.
- 5.5. To review and propose recommendations to amend scopes of work, duties and responsibilities of the Compensation Committee to respond to changing circumstances.
- 5.6. To submit an operational report to the Board of Directors at least once a year.
- 5.7. To do any other tasks as designated by the Board of Directors.

To ensure that the Compensation Committee effectively performs its tasks, the Committee must do the following:

- (1) Within the scopes of its authority, inviting executives or supervisor to attend its meeting for clarification purpose or to submit relevant documents.
- (2) Hiring consultants or spending money in any other ways related to its job at the Company's costs.

Clause 6. Setting up the appropriate criteria and fixing the remuneration as follows:

- 6.1. To review the appropriation of the current criteria.
- 6.2. To consider the remuneration payment information of the other companies which are in the same industry group.
- 6.3. To review all remuneration payments by considering the appropriate amount and proportion of remuneration which are as follows:
 - (1) Retaining Fees are monthly fees by taking the following 4 factors into consideration:
 - Operating performance and the size of the business,

- Current practices of the other companies which are in the same industry,
 - Responsibility, knowledge, competency and experience of the directors and Chief Executive Officer,
 - Result of performance evaluation of the Board of Directors and Chief Executive Officer.
- (2) Incentive Fee is paid as an incentive to the Board of Directors and should be determined from the performance of the Company and values created for the shareholders, e.g. the dividend distribution for the shareholders.
- (3) Apart from the above fee, the directors also receive the attendance fee of the meeting in addition to the retainer fee upon attending to the Board of Directors meetings in order to attract the directors to regularly perform their duties.
- (4) Review overall budgets and structure of salary increase, annual bonus payments including any other kind of staff's fringe benefits on fairly basis in order to reward the staff for their support to the Company' success.

6.4. The Compensation Committee proposes to the Board of Directors in order to get approval for the remuneration of the Chief Executive Officer. For the remuneration of the directors, the Board of Directors shall propose to the shareholder meetings for approval.