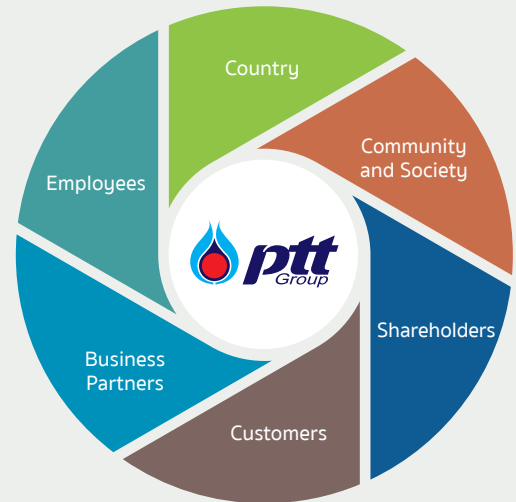


## PTT GROUP MISSION

To conduct integrated energy and petrochemical business as the nation's energy company whose mission to equally respond to all stakeholders through the following aspects

## PTT GROUP STRATEGIC FRAMEWORK



### To the country

Ensuring long-term energy security by providing sufficient high-quality energy supply at fair prices to support economic growth

### To customers

Ensuring customer satisfaction and loyalty by delivering world-class quality products and services at fair prices

### To community and society

Maintaining a good standing corporate status in Thai society by exercising environmental stewardship of internationally accepted standards and helping to improve the quality of life for community and society

### To business partners

Conducting fair business practice with all partners while promoting trust, relationship, and cooperation to expand business capability and increase efficiency in long-term business partnership

### To shareholders

Operating profitable business that leads to sustainable growth while generating optimum returns

### To employees

Promoting capability building professionally and ensuring employees' well-being is on the level with other leading companies

## PTT GROUP VALUES

**SPIRIT+D**

**Synergy | Performance Excellence | Innovation | Responsibility for Society | Integrity & Ethics | Trust & Respect | +Digitalization**

# PTT Information

<b>Name</b>	PTT Public Company Limited		
<b>Initial</b>	PTT		
<b>Registered Number</b>	0107544000108		
<b>Type of business</b>	The company operates petroleum through investment in subsidiaries, joint ventures, and associates (PTT Group), which are engaged in upstream and downstream petroleum, coal, electricity business, and infrastructure business.		
<b>Registered Capital</b>	THB 28,562,996,250		
<b>Issued and Fully Paid-up</b>	THB 28,562,996,250		
<b>Head Office</b>	555 Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900, Thailand Telephone: 66 (0) 2537-2000 Fax: 66 (0) 2537-3498-9 Website: www.pttplc.com		
<b>Corporate Communication</b>	Telephone: 66 (0) 2537-2150-1 Fax: 66 (0) 2537-2572, 0-2537-2171 E-mail: corporate@pttplc.com		
<b>Investor Relations</b>	Telephone: 66 (0) 2537-3518-9 Fax: 66 (0) 2537-3948 E-mail: ptt-ir@pttplc.com		
<b>Office of the President and Corporate Secretary</b>	Telephone: 66 (0) 2537-3885-6, (0) 2537-3855 Fax: 66 (0) 2537-3883, 66 (0) 2537-3887 E-mail: corporatesecretary@pttplc.com		

## References

- Securities Registrar**  
 Thailand Securities Depository Company Limited  
 1<sup>st</sup> floor, the Stock Exchange of Thailand Building, 93 Ratchadapisek Road, Dindaeng, Bangkok 10400, Thailand  
 Telephone: 66 (0) 2009-9999  
 Fax: 66 (0) 2009-9991
- Auditor**  
 Office of the Auditor General  
 Rama VI, Phayathai, Bangkok 10400, Thailand  
 Telephone: 66 (0) 2271-8000  
 Fax: 66 (0) 2618-5769
- Registrar**  
 Siam Commercial Bank Public Company Limited  
 Registration 1, Markets Operations Division, 15<sup>th</sup> floor, North Wing, G Tower Grand Rama IX, Huai Khwang, Bangkok, 10310  
 Telephone: 66 (0) 128-2324-9  
 Fax: 66 (0) 2128-4625  
 Corporate Trust Sale, Corporate Trust,  
 9<sup>th</sup> Ratchadapisek Road, Chatuchak, Bangkok 10900  
 Telephone: 66 (0) 2544-3937, 66 (0) 2544-2923  
 Fax: 66 (0) 2544-7475



# Financial Highlights

2016

2017

2018

<b>Statement of Income</b>		(THB million)		
Sales and Service Income		1,718,846	1,995,722	2,336,155
Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)		312,526	345,395	351,396
Net Income (Loss)		94,609	135,180	119,684
<b>Statement of Financial Position</b>		(THB million)		
Total Assets		2,232,331	2,232,314	2,355,484
Total Liabilities		1,060,734	983,758	1,036,990
Non-controlling Interests		408,649	429,884	443,411
Total Equity Attributable to Owners of the Parent		762,948	818,672	875,084
<b>Shares or Information about Common Shares</b>				
Shares and Fully Paid-up Share Capital	(Million Shares)	28,563 <sup>2/</sup>	28,563 <sup>2/</sup>	28,563 <sup>1/</sup>
Book Value per Share	(THB)	26.71 <sup>2/</sup>	28.66 <sup>2/</sup>	30.64 <sup>1/</sup>
Earnings per Share	(THB)	3.27 <sup>2/</sup>	4.67 <sup>2/</sup>	4.15 <sup>1/</sup>
Dividend per Share	(THB)	1.60 <sup>2/</sup>	2.00 <sup>2/</sup>	2.00
Dividend Payout Ratio to Net Income	(%)	49.0	42.8	48.2
Share Price at the End of Financial Period	(THB)	37.20 <sup>2/</sup>	44.00 <sup>2/</sup>	46.00 <sup>1/</sup>
<b>Financial Ratios</b>				
Net Profit to Total Sales Revenue	(%)	7.54	9.25	7.08
Return on Equity	(%)	12.96	17.09	14.13
Return on Total Assets	(%)	5.88	8.27	7.21
Debt <sup>3/</sup> to Equity	(Times)	0.52	0.42	0.41
Net Debt <sup>3/</sup> to Equity	(Times)	0.19	0.11	0.08
Net Debt <sup>3/</sup> to EBITDA	(Times)	0.71	0.39	0.31
Interest Coverage	(Times)	9.23	11.01	11.13

## Remarks:

<sup>1/</sup> On April 24, 2018, PTT changed the par value of the Company's share from THB 10 per share to THB 1 per share.

<sup>2/</sup> As if the par split has been implemented since the beginning

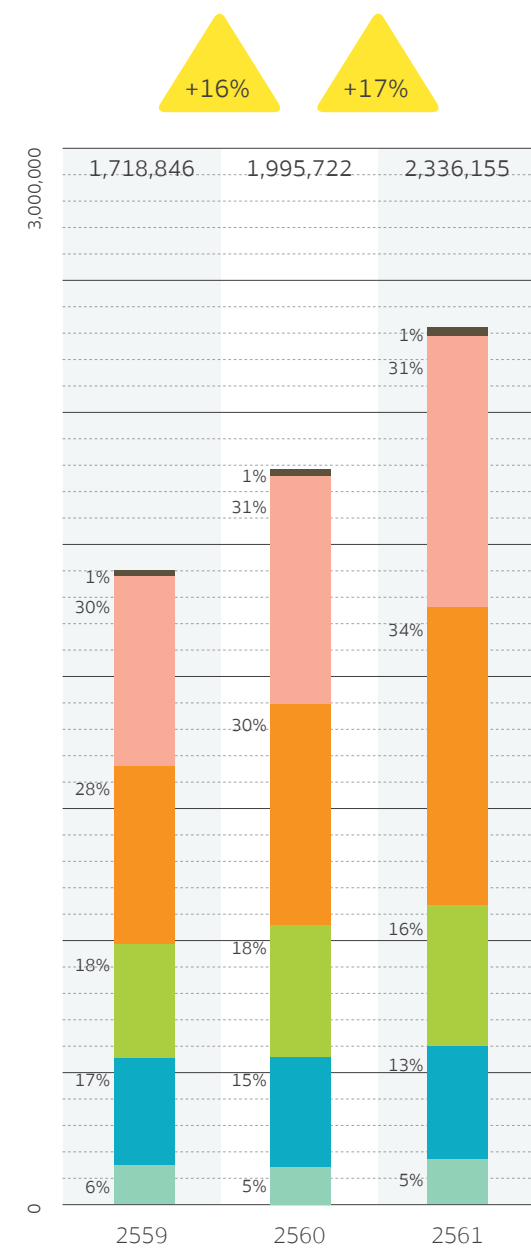
<sup>3/</sup> Debt = Interest Bearing Debt



# Financial Highlights

## Sales and Service Income (THB million)

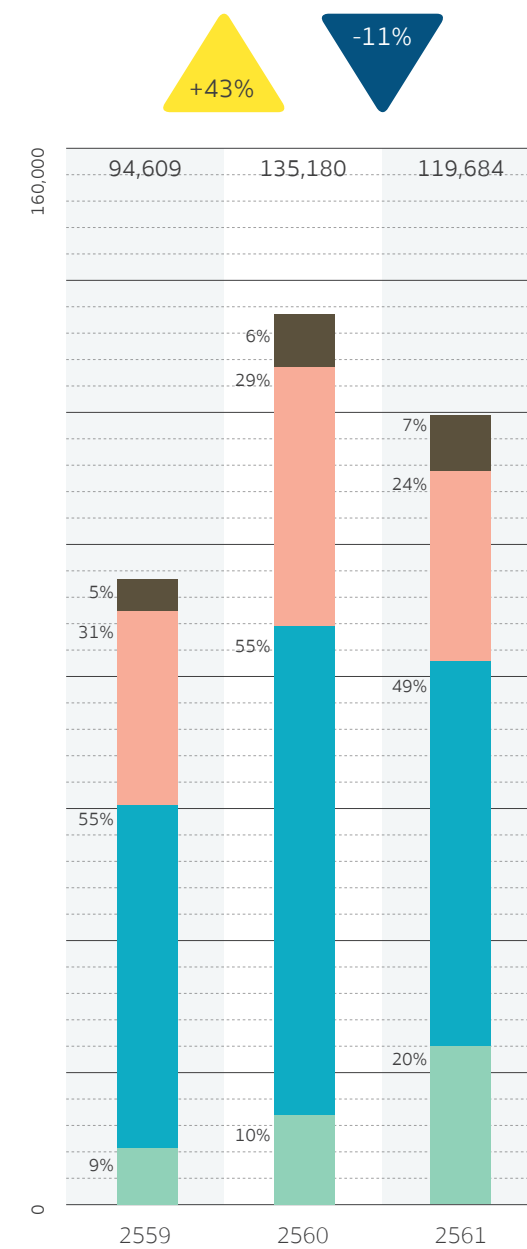
**2,336,155**



Others  
Petrochemical and Refining Business  
International Trading Business  
Oil Business  
Gas Business  
PTTEP

## Net Income (THB million)

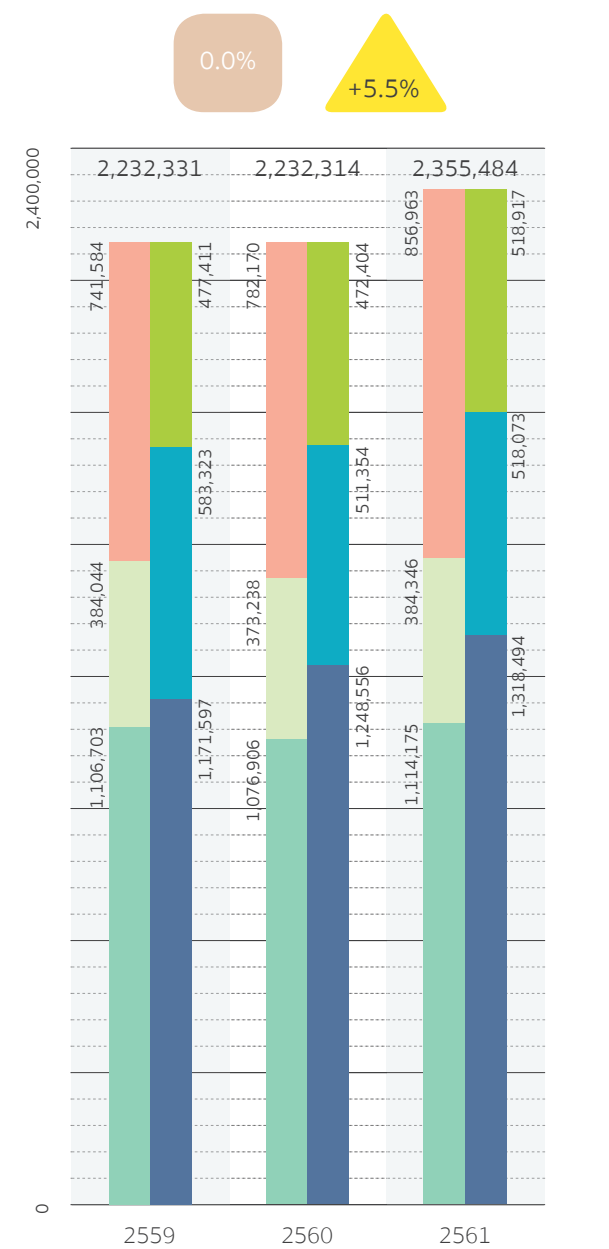
**119,684**



Other Affiliates  
Petrochemical and Refining Affiliates  
PTT  
PTTEP

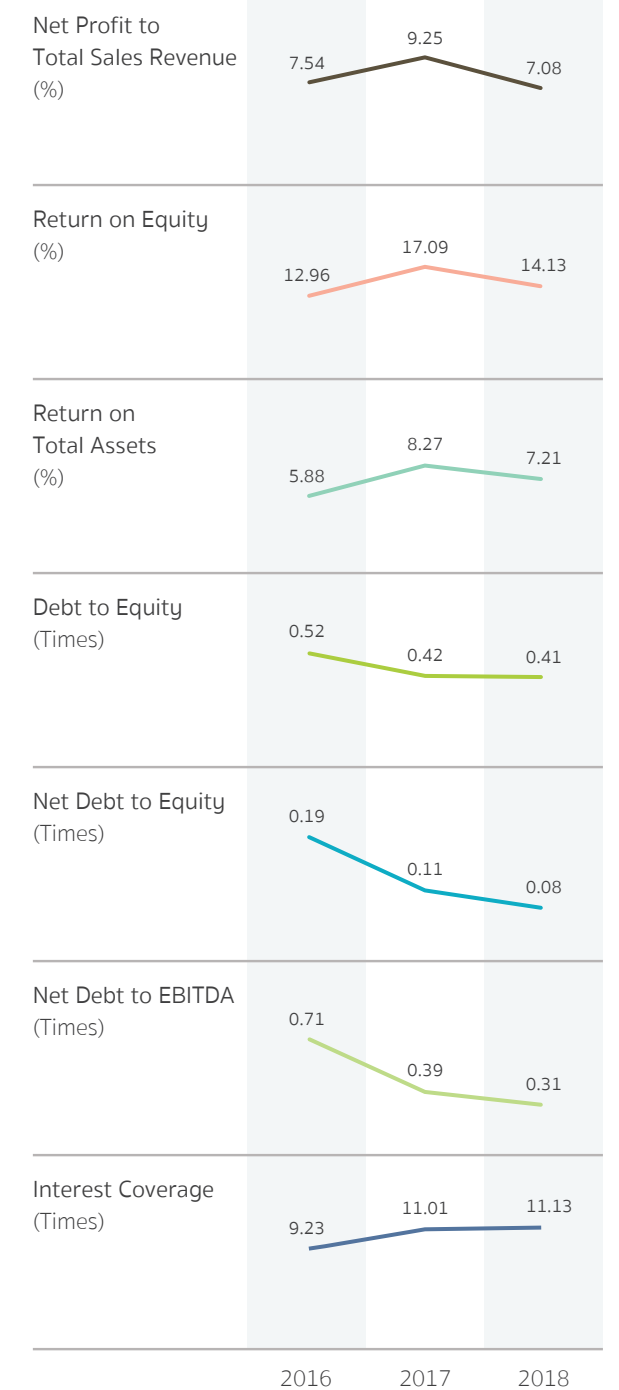
## Statement of Financial Position (THB million)

**2,355,484**



Current Assets  
Other Assets  
Net Property, Plant, and Equipment  
Account Payable and Other Liabilities  
Long-Term Loans and Current Portion (Include the Loans within One-Year Maturity)  
Total Equity

## Financial Ratios





# Message from the Board of Directors

## Dear Shareholders

The year 2018 marked the 40<sup>th</sup> year of PTT's establishment. Throughout these years PTT has ensured national energy security and economic prosperity and grown with the community, society and the country to the present. It remains committed to being the Pride and Treasure of Thailand through the 3Ps sustainable management strategy: **People** for human resource development, **Planet** for conservation of natural resources and the environment in balance with the well-being of the community and society, and **Prosperity** for being a solid pillar of the economic and social sectors, conducting business in compliance with good governance and balancing interests of all stakeholders while pursuing sustainable growth for all.

**People** – PTT emphasizes inclusive growth. It develops its employees to be smart and conscientious who assist the underprivileged and elevate their quality of life to enhance national development. Significant projects under this strategy included educational promotion, particularly science and technology. PTT and 11 leading private companies continued from last year's development of Phacharath School Phase 2, totaling 82 schools in 14 provinces and expanded to the Partnership School Project by sharing experience in managing private schools of PTT Group in five provinces. PTT also supported secondary education. The first batch of 71 students from its Kamnoetvidya Science Academy School (KVIS) have graduated, and 17 of them have won scholarships to study abroad. Vidyasirimedhi Institute of Science and Technology (VISTEC), top-ranked nationally in chemical sciences by the leading international research journal, Nature Index Ranking 2017, supported higher education. In addition, PTT launched "Café Amazon for Chance", the first coffee shop operated by hearing impaired bansta. Presently, Café Amazon for chance has four operations intend to give an opportunity and develop the potential for the underprivileged to become self-reliant, and instilling in employees ethical awareness.



CHANGE FOR FUTURE  
OF THAILAND 4.0

**Planet** – PTT exerted social, community and environmental stewardship, raised awareness of natural resource and environmental conservation, supported resource optimization, and developed more green areas across the country. In 2018, the Board of Directors approved additional targets for its climate action, one of the SDG targets, and continued implementation under natural resource and environmental conservation projects, from keeping the areas under the 1 million Rai nationwide reforestation project, Sirinart Rajini Ecosystem Learning Center in Prachuap Khiri Khan, PTT Green in the City in Bangkok, Wang Chan Valley in Rayong (which won an award from the International Federation of Landscape Architects (IFLA) this year), and a cooperation project to develop a green economy and tourist destination known as the Sustainable Khung Bang Kachao Project. Development of these reforestation projects has resulted in approximdley 37.27 million tons of carbon dioxide absorption or emission of over 1 million vehicles per year and added about 29.81 million tons of oxygen to the atmosphere, enough for over 5.7 million persons to breathe for a year. The surrounding communities also derived economic benefit by collecting forest products valued at over THB 280 million per year. PTT also encourages its employees to take part in community activities to better understand community needs and engage in good deeds for the community and society. In 2018, PTT was listed in the Thailand Voluntary Emission Reduction



# PEOPLE PLANET PROSPERITY

Program (T-VER) for its Waste Heat Recovery Project of gas separation plant Units 5 and 6 in Rayong and won a Zero Accident Award for its implementation on accident-free workplace promotion, safety and occupational health management, and workplace health promotion.

On **Prosperity**, PTT focuses on creating economic and social growth and sustainability under transparency and good governance principles. The Board has approved establishment of the Governance, Risk and Compliance (GRC) structure to undertake efficient and concrete integrated management. For the business operation, PTT continued its implementation under the 3D strategies:

- **Do now** - to enhance PTT Group's competitiveness through enhanced operational efficiency with emphasis on innovation and technology in business to reduce costs and increase profits to over THB 19 billion.
- **Decide now** - to support infrastructural investment and expansion of businesses which create added value throughout the business chain, both domestic and international, for sustainable business, such as gas transmission pipeline expansion, LNG value chain

investment through the completion of LNG terminal extension, establishment of PTTOR China to conduct a lubricant business in China, expansion of an integrated petrochemical and refinery business by investing in petrochemical expansion to support value-added specialty chemical, and also the restructuring of key businesses. To elaborate, its IRPC shareholding rose to 48.05% in line with the petrochemical and refinery business direction for future growth. Significantly, the transition of the former Oil Business Unit and related shares to PTT Oil and Retail Business Plc. (PTTOR) help pushing PTT Group's flagship company in line with the oil deregulation policy to expand oil and retail businesses growing together with society and lead Thai brands to the international markets.

- **Design Now** – to pursue new business opportunities and investment (New S-Curve) for long-term growth in line with the Thailand 4.0 policy. To this end, PTT signed memoranda of cooperation with various organizations for projects on financial innovation with nine local leading banks, electricity value chain, EV innovation, smart city development, prototype battery development, among others. PTT also approved investment in the infrastructural construction under the Eastern Economic Corridor of Innovation (EECi) Project to support the development of Wang Chan Valley as the R&D center of innovation and technology to be applied to all its implementation to create added value throughout PTT's business chain.

Build Smart people  
Support good people

Determined to foster  
the society, communities,  
and environment

Generate growth and  
sustainability to Thai  
economy and society on the  
basis of transparency

In 2018, Thai economy grew 4.1%, exceeding the previous year, against global economic growth of 3.7%. The Dubai oil price fluctuated in the USD 50-85 per barrel range, which was weaker than the average price of last year. As a result, our financial performance showed a revenue of THB 2.3 trillion and a net profit of THB 119.684 billion, consisting of profits from PTT's operating performance (49%) and from PTT Group's (51%). The profit enabled PTT and PTT Group to remunerate the government in the forms of tax and dividend of over THB 80 billion. PTT's success was also echoed in its listing on the Dow Jones Sustainability Indices (DJSI) World Index (DJSI World) for the seventh consecutive year along with the highest scores in the Industry Leader category in Oil & Gas and Upstream & Integrated (OGX) for the second consecutive year. Other awards included the Corporate Improvement Excellence Award for two consecutive years, granted by HRH Princess Maha Chakri Sirindhorn, Finance Management Excellence Award, State Enterprise of the Year (third consecutive year), Outstanding Corporate Leader, Outstanding Information Disclosure and Transparency (fourth consecutive year), and Outstanding Development Cooperation in a State Enterprise Mentor Project—the cooperation between PTT, State Railway of Thailand, and Public Warehouse Organization—among others. These awards resulted from all executives' and employees' dedication and commitment as well as a good governance of the Board of Directors.

On behalf of the Board of Directors, may we express our heartfelt appreciation to all shareholders and stakeholders for their continued trust and support. We reassure here that the Board, the management and all employees determine to create Social value remain the Prile and Treasure of Thailand, gear to wards its 41<sup>st</sup> year and the future.

(Krairit Euchukanonchai)  
Chairman

(Chansin Treenuchagron)  
President and CEO



# Report of the Audit Committee



**Emeritus Prof. Dr. Kittipong Kittayarak**  
Chairman of the Audit Committee

## Dear Shareholders

PTT Plc's current Audit Committee consists of three knowledgeable independent directors, chaired by Emeritus Prof. Dr. Kittipong Kittayarak, with Ms. Nuntawan Sakuntanaga and Mr. Vichai Assarasakorn serving as members. Serving as secretary to this committee is Mr. Chalot Boonlai, Executive Vice President, Office of Corporate Audit.

In 2018 the committee executed its Board-assigned duties and those defined by its own charter, which agreed with SEC's best practices. It reviewed and pushed for PTT's compliance with corporate governance and applicable regulations in addition to having adequate risk management and internal control systems. It ensured PTT's emphasis on being a transparent organization with an efficient and effective internal audit system while upgrading the quality of internal audit by aligning corporate goals with that of internal audit agents to form a trustworthy partnership to supplement long-term value creation for PTT with due regard for satisfying stakeholders' comprehensive needs. Below are the highlights:

- Forming a structured unit to integrate Governance, Risk Management and Compliance (GRC) with top executive taking clear charge.
- Giving support to the management to improve the operations to make PTT an organization of pride with emphasis on transparency moving toward sustainability by forging business integrity with responsibility for national energy security and taking part in driving the nation's economy in its capacity as one of Thailand's leading state enterprises.
- Promoting procurement anti-corruption by incorporating large-scale investments of PTT and companies in PTT Group into the Integrity Pact (IP) project under public policy and Public Procurement and Supply Management Act, B.E. 2560 (2017). Furthermore, the committee pushed toward PTT's improved whistleblowing process to ensure efficiency, effectiveness, and fairness to all.

- Forging careful analysis and review of the investment process and development of a systematic Post-Investment Review (PIR), particularly for large-scale investments under PTT and PTT Group.
- Promoting application of technology in the audit process and expanding the use of the Continuous Control Monitoring and Auditing System (CCMS), which helps detect and follow up irregularities in the sales of and the payment for natural gas for vehicles in addition to the procurement system for higher efficiency and effectiveness of the audit system and its oversight.
- Devising an audit policy that includes continuous personnel development with a focus on higher audit efficiency of the business process while valuing risks that may have significant impacts on the organization, adoption of modern IT systems to support internal auditing, and cooperation with units in charge of auditing (2<sup>nd</sup> Line of Defense).
- Giving support to the STAR Award Project, which stresses efficient, effective, transparent, and examinable operations of the 1<sup>st</sup> Line of Defense (Operating Units) and 2<sup>nd</sup> Line of Defense (Oversight Units) to foster a proper attitude toward internal audit

In 2018, the committee held 17 meetings, where consultations were held with the management, the internal auditor, and the external auditor as follow:

Audit Committee	Number of Meetings Attended
Prof. Dr. Kittipong Kittayarak	17
Ms. Nuntawan Sakuntanaga	15
Mr. Vichai Assarasakorn	17

## Summary of Performance

### 1. Review of financial statements:

With the management, the Office of Corporate Internal Audit and the External Auditor, the committee reviewed PTT's quarterly, annual financial statements, consolidated financial statements this year as well as connected transactions, related party transactions, or those with potential conflicts of interest. The committee asked the external auditor about the accuracy and completeness of financial statements, the adjustment of key account entries and projections affecting the statements, the adequacy and suitability of account recording, audit scope, information disclosure that was accurate, complete, adequate as well as its own freedom. All these elements ensured that the preparation of financial statements followed legal requirements and accounting standards under generally accepted accounting principles that are credible and timely, also that adequate information was disclosed in such statements for the benefit of users. The committee met exclusively with the external auditor team on one occasion in the absence of the management to consult them about audit plans, freedom of execution, their professional views with a focus on accurate, complete, and adequate presentation of data.

## 2. Review of risk management:

Each quarter, in conjunction with the management, the committee reviewed the efficiency and effectiveness of the risk management process as well as the risk management policy, plans, and management approach that affect PTT Group's operations and other event risks. It provided recommendations for improvement and supported the management's development of a systematic work plan to be ready to address unforeseen events.

## 3. Review of internal control effectiveness:

Every quarter, the committee reviewed PTT's internal control system with the Office of Corporate Audit by looking into its operation; resource consumption; stewardship of properties; prevention or reduction of errors or damage, losses, waste, or corrupt practices; credibility of financial reports; compliance with laws and regulations; and Cabinet resolutions. No significant problems or material shortcomings were detected. This year's assessment outcomes of internal control under the Ministry of Finance's Internal Audit Standards for Government Agencies, B.E. 2561 (2018) found that PTT's internal control was adequate and effective for its businesses. Full cooperation (100%) was received from the management in filling out the internal control assessment form.

## 4. Review of good governance:

The committee reviewed compliance with applicable laws and regulations, PTT business protocols, and related party and connected transactions among PTT Group to ensure sensible conformance to normal business conditions. The committee also reviewed the complaint-handling and whistleblowing process and provided recommendations on process improvement to raise efficiency and effectiveness in line with PTT's corporate governance code and business philosophy. These included careful consideration of complaints for fairness to all parties, equipped with suitable protection of complainants and whistleblowers.

## 5. Review of internal audit:

The committee reviewed the Office of Corporate Audit's strategic plans, annual and long-term internal audit plans, also conformance to plans and audit findings. To this end, it advised and monitored corrective actions for significant aspects of good governance and adequate internal control. It considered amending the charter for internal audit and reviewed the annual budget of the office, its personnel development, recruitment, rotation, and training plans. Reviewed were the office's adequacy and suitability of resources, KPIs, and the annual merit consideration for the executive vice president. The committee also monitored the assessment of overall internal audit performance.

## 6. Quality assurance of the Audit Committee:

The committee not only reviewed and amended its own charter, but also assessed its own performance as a group and individuals (Performance Self-Assessment and Cross-Assessment) in line with the best practices of the State Enterprise Policy Office to ensure efficient and fruitful performance. Assessment findings were regarded as excellent. Finally, the committee reported its performance outcomes to the Board every quarter, with remarks and views provided for process improvement of risk management supervision and compliance with PTT's regulations.

## 7. Proposal of the external auditor for 2019:

The committee endorsed the Office of the Auditor General of Thailand (OAG) as PTT's external auditor, 2019 for the Board's concurrence and the shareholders' final approval at the 2018 AGM, together with its audit fees. Incidentally, in the absence of PTT's management, the committee reviewed with the external auditor its work scope, approach, and plans.

In summary, the Audit Committee performed its charter duties and responsibilities with competence, care, prudence, and adequate freedom while providing views and recommendations for the equitable benefit of all stakeholders. Its opinion is that PTT's financial statements were accurate, credible, and in line with generally accepted accounting standards. In addition, PTT commanded compliance with applicable laws and business obligations, together with good governance, conformance to rules, adequate risk management and a suitable, effective internal audit system.

# Report of the Nomination Committee



*Air Marshal Boonsuib Prasit*

**Air Marshal Boonsuib Prasit**  
Chairman of the Nominating Committee  
(November 18, 2016 - December 22, 2018)



*Don Wasantapruek*

**Mr. Don Wasantapruek**  
Chairman of the Nominating Committee  
(December 23, 2018 - Present)

## Dear Shareholders

The current Nomination Committee consists of three independent directors, chaired by Mr. Don Wasantapruek (since December 23, 2018), replacing Air Marshal Boonsuib Prasit (November 18, 2016 - December 22, 2018), together with Mr. Supot Teachavorasinskun and Prof. Dr. Surapon Nitikraipot as members. The Corporate Secretary or Executive Vice President, Corporate Secretary and Relations, serves as its secretary. The committee performed Board-assigned duties with prudence, transparency, and fairness. The committee also amended its scope to embrace current duties and aligned with PTT's business strategies for shareholders' and stakeholders' best interests. This year, it holds a total of six meetings as follow:

- Nominated directors to replace those who were due to retire by rotation from various professions with suitable qualifications as required by related laws and regulations, PTT's Articles of Association, and corporate governance principles. Nominated candidates must be competent and suitably qualified for PTT's business strategies, based on an analysis of the PTT Board Skill Matrix, list of the Director's Pool of the Ministry of Finance and Thai Institute of Directors (IOD). Their work experiences and backgrounds were taken into account to ensure shareholders' confidence. They must also be free of tarnished background and conflicts of interest with PTT. The names of duly qualified candidates were tabled for the Board's approval to appointed by the AGM. Those names must also have the approval of the State Enterprise Policy Committee, according to the 2014 Regulations of the Office of the Prime Minister on Policy and Supervision of State Enterprises.

- Nominated directors to replace those who had resigned during the year. The committee tabled qualified candidates with suitable profiles to the Board for appointment. The names of nominated directors must also secure approval from the State Enterprise Policy Committee.

- Nominated directors to perform duties on specific committee, based on committee compositions, qualifications, expertise, competencies, related skills and suitability for the Board's appointment, with the exception of the Nomination Committee itself, which is to be appointed by the Board.

- Reviewed and amended the PTT Board Skill Matrix to be more diversified, modern and suitable for PTT's businesses by adding essential skills, knowledge, and familiarity that cover both educational background and experiences in line with PTT's business strategies in the short and long terms, together with the state enterprise strategic plan, with a primary objective of driving the company toward its goals under the defined mission and strategies.

- Improved its own job performance to be more thorough, suitable, timely, and compatible with PTT's good corporate governance principles.

Finally, this year the Board gave minor shareholders the opportunity to nominate directors but no such nomination was put forward for the 2019 AGM. For transparency, other details appear in this annual report.



# Report of the Remuneration Committee



Mr. Vichai Assarasakorn

Chairman of the Remuneration Committee

## Dear Shareholders

This year, the Board of Directors appointed the current Remuneration Committee, which consists of independent directors in the majority, chaired by Mr. Vichai Assarasakorn, an independent director, with Mr. Somsak Chotrattanasiri and Mr. Chumpol Rimsakorn as members. Serving as secretary was the Corporate Secretary or Executive Vice President, Corporate Secretary and Relations. The committee performed their duties with prudence and care by screening and commenting on key issues for the Board's consideration. This year, the committee held three meetings as follow.

- Considered the 2018 compensation for the Board and committees, based on PTT's performance outcomes and business size, practices of peer-industry listed companies and leading ones worldwide, along with Board responsibilities and the outcome of Board assessment as defined in the annual assessment forms. The compensation was tabled for the Board's approval and subsequent appointment at the AGM.

- Reviewed assessment guidelines for the performance of the President & CEO to decide his new compensation, based on factors linked to the agreement of the annual performance assessment for state enterprises mutually agreed by the State Enterprise Policy Office and PTT, together with his managerial ability, leadership, his self-assessment, and assessment by all directors. All these served as a basis for the committee's consideration before tabling its views to the Board for approval.

- Acknowledged and commented on the assessment of executives at the senior executive vice president level.

- Reviewed and commented on the GRC (Governance, Risk, and Compliance) structure and work values for maximum benefit to the organization in sustainably enhancing its people, process and system's efficiency, performance, and value addition to PTT Group's brand. In place is a responsible unit in the systematic integration and a center for receiving complaints under transparent and clear criteria to maintain balance between efficient control and business conduct and manage the operations of PTT Group under the same standard.

For transparency, the Remuneration Committee has disclosed the compensation of all directors and committee members together with management executives' compensation in this annual report.

# Report of the Corporate Governance Committee



Gen. Chatchalerm Chalermsook

Chairman of the Corporate Governance Committee

## Dear Shareholders

The current Corporate Governance Committee is made up of three independent directors, namely Gen. Chatchalerm Chalermsook (Chairman), Mr. Thon Thamrongnawasawat (member), and Prof. Dr. Surapon Nitikraipot (member replacing Mr. Don Wasantapruek as of December 23, 2018). The Senior Executive Vice President, Corporate Governance and Regulatory Affairs, and the Senior Executive Vice President, Office of General Counsel, serve as secretaries.

Highly valuing business conduct with integrity, transparency, and accountability while saying no to all forms of corruption, the Board stresses PTT's firm commitment to corporate governance (CG), high ethical standard, the Code of Business Conduct, and PTT Group's scope of sustainability development to heighten PTT's CG system for continued efficiency to in turn boost confidence among all its stakeholders and lead to PTT's sustainable growth.

To this end, the Board has assigned the committee to propose CG guidelines and oversee the conduct of the directors and the management to ensure conformance to CG principles, SET's CG principles, IOD's recommendation from the Corporate Governance Assessment Report, and the international principles of The Organization for Economic Cooperation and Development (OECD) together with the ASEAN CG Scorecard, the Ten Principles of the UN Global Compact (UNGC), and the DJSI Corporate Sustainability Assessment. The committee's mandate also embraces sustainability management and scope formulation for the oversight of PTT's anti-corruption tasks.

In 2018 the committee held six meetings as planned to track and assess CG and anti-corruption tasks, public relations and corporate image plans as well as social, community, and environmental responsibility and sustainable development plans, as highlighted below:

#### Information disclosure and transparency

- Completed the annual information disclosure form (Form 56-1) and the annual report, and disclosed quarterly performances and key information for shareholders, investors, and the public, complete with essential, adequate, credible, and timely details through assorted channels, including SET's publicity channels and www.pttplc.com. The core units taking charge of information distribution were Investor Relations and Corporate Communications.
- Developed the 2018 annual sustainability report for the 11<sup>th</sup> consecutive years to disclose economic, social, and environmental data under the applied Sustainability Reporting Standard 2016 and Oil and Gas Sector Disclosure (OGSD) of the Global Reporting Initiative (GRI). It presented performance in accordance with Integrated Reporting (IR), provided updates in compliance with the elements of the United Nations Global Compact (UNGC), and reported operating outcomes that confirmed PTT's support for sustainable development goal in line with the scope of the UN's Sustainable Development Goals (SDGs). Also, a third party was commissioned to continually review the report, with distribution of this year's and previous years' reports on PTT's website, GRI's website, and UNGC's website. In addition, PTT advocated preparation of this report by PTT Group companies, namely PTTEP, GC, Thaioil, IRPC, and GPSC, on compliance with SET's direction of convincing listed companies to use GRI in their information disclosure.
- Developed the quarterly PTT Bizway newsletter for shareholders to keep them informed and foster understanding.
- Developed the quarterly Happiness newsletter for debenture holders to keep them informed and foster relations.

#### Rights of the shareholders

- Held the 2018 AGM and provided in advance adequate and timely information on the date, time, venue, and agenda, as well as all information relevant to matters which require decisions at the meeting
- Informed the shareholders about meeting protocols and distributed such information on PTT's website before sending out meeting notices so that shareholders may have adequate time to study details. Facilitated their full exercise of meeting and voting rights. As a result, PTT scored "outstanding" on the AGM Checklist assessment.

#### Equitable treatment of shareholders

- Allowed shareholders to propose additional agenda items and nominate directors for election in advance from September 1 to November 30, 2018, as required by PTT.
- Required all directors and executives to disclose vested interests about themselves and related parties for 2018 so that the Board might review PTT's transactions with potential conflicts of interest and decide in PTT's best interests.
- Required all directors, executives, and employees to electronically report their conflicts of interest for 2018 on the PTT intranet. No significant conflict was reported this year.
- Required all directors and executives to report their securities portfolios as required by law and assigned the Corporate Secretary to compile and report these to the Board every quarter.
- Ensured enforcement of the Insider Trading Guidelines by asking the directors and the management of PTT Group to refrain from PTT Group companies' securities trading. If such trading is necessary, they must notify the Corporate Secretary ahead of time for transparency.

#### Responsibilities of the Board

- Assessed Board performance (overall, self-assessment, cross-assessment, and subcommittee assessment), with "outstanding" outcomes for the year.
- Attended training courses regularly to build capacity and develop expertise in directorship, such as courses hosted by the Thai Institute of Directors (IOD).
- Arranged a study tour of PTT Group companies and undertakings dealing with the energy business, in and outside Thailand.
- Held one meeting among the independent directors.
- Held one meeting in absence of the management.

#### Recognition of stakeholders

- Endorsed an action plan on PTT's CG and anti-corruption for 2018 together with the annual goals before implementation, followed by constant performance monitoring, with recommendations provided to upgrade PTT's CG on a par with international standards.
- Provided oversight for the review of "PTT Corporate Governance, Ethical Standards and Code of Business Ethics Handbook" regarding the number of state enterprises / juristic persons where PTT directors can serve as directors, which would result in higher efficiency and oversight transparency, and regarding the amendment of duties and responsibilities of the Enterprise Risk Management Committee to also cover stakeholder management.

- Formulated policies and provided recommendations on organization restructuring, in which Corporate Governance and Regulatory Affairs is to be established as a single unit working to integrate corporate governance, risk management, and compliance to ensure suitable control and efficient operation in support of business continuity.
- Provided oversight for a review of the Corporate Governance Management Committee (CGMC) responsibilities by renaming it the Governance, Risk and Compliance Management Committee (GRCMC) and expanding the committee's role to cover corporate governance, operational risk management, internal control, and compliance management. GRCMC also serves as PTT's Anti-Corruption Operation Center for State Enterprises.
- Advocated and urged PTT's business allies to declare their intention to join Private Sector Collective Action Coalition against Corruption (CAC).

#### CSR and sustainable development

- Defined a social responsibility (CSR) approach in support of PTT Group Sustainable Framework by committing to corporate citizenship that values stewardship of society and communities, as well as major groups of stakeholders at all operating sites whose wellbeing PTT aims to raise. PTT's stewardship also covers network communities across the country under the two-dimensional sustainable development goal – People and Planet – in line with PTT's business direction. PTT optimizes its expertise in driving community self-development, particularly support for creating an inclusive business which stresses inclusion of the underprivileged and low-income earners as part of PTT's business.

**People** (development of human resources, communities, and society) – promotes items 4, 7, and 8 of the UN Sustainable Development Goals (SDGs) involving access to quality education, affordable and clean energy, and decent work and economic growth.

**Planet** (conservation of natural resources and the environment) – promotes items 13, 14, and 15 of the UN SDGs involving expansion of green areas, life below water, life on land, and absorption of greenhouse gases.

- Passed assessment by RobecoSAM Corporate Sustainability Assessment and qualified as a member of Dow Jones Sustainability Emerging Markets Indices (DJSI Emerging Markets) in the Oil and Gas Upstream & Integrated Industry (OGX) category for the seventh consecutive year and with the highest score for the second consecutive year, among the nine out of 71 companies on DJSI Sustainability World Indices (DJSI World) and among the two out of 17 companies on Dow Jones Sustainability Emerging Markets Index (DJSI Emerging Markets). PTT achieved an industry-best score on Risk and Crisis Management, Code of Business Conduct, Supply Chain Management, Tax Strategy, Environmental Reporting, Environmental Policy/EMS, Human Rights, and Occupational Health and Safety.

#### Awards of pride

Thanks to its firm commitment to operating businesses with CG and social responsibility, coupled with constant sustainability management and improvement, in 2018 PTT earned extensive acclaim from domestic and international entities alike. Awards included:

- Qualified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) for the second consecutive year.
- Passed NACC Integrity & Transparency Assessment (ITA) at the "very high" level for five consecutive years.
- Received "Excellent" ranking based on the 2018 survey of listed companies (Corporate Governance Report of Thai Listed Companies 2018) for ten consecutive years.
- Received an outstanding award for its code of conduct at the TCC Best Award 2018 event organized by the Thai Chamber of Commerce.
- Received a Corporate Governance Asia Annual Recognition Award 2018: Icon on Corporate Governance for 14<sup>th</sup> consecutive years.
- Received The Asset Corporate Award 2018 (Platinum level) in its 10<sup>th</sup> consecutive years of assessment.
- Received an ASEAN Corporate Governance Award as a Thai listed company that had successfully passed the ASEAN CG Scorecard, recognized as one of the top three public companies in Thailand and one of the top 50 public companies in ASEAN.

# Report of the Enterprise Risk Management Committee



(Mr. Thon Thamrongnawasawat)

Chairman of the Enterprise Risk Management Committee

## Dear Shareholders

PTT Plc's Enterprise Risk Management Committee (ERMC) consists of three directors, chaired by Mr. Thon Thamrongnawasawat, with Mr. Thammayot Srichuai and Mr. Danucha Pichayanan serving as members. The Senior Executive Vice President, Corporate Strategy, in the capacity of Chief Risk Officer (CRO) serves as its secretary.

ERMC has supported the Board's performance by following corporate governance principles to keep PTT's risk management efficient and effective for successful goal achievement while aligning with the corporate vision and directions, as well as mitigating impacts of business uncertainty. The key is to ensure shareholders that PTT's risk management system can indeed handle all risks.

This year ERMC held a total of five meetings. The highlights of its performances are as follows:

### 1. Steered risk management to ease business impacts:

Defined proactive measures with a focus on lowering the probability of all risk events while commanding passive measures should risk events actually happen so as to ease impacts on corporate goals. Defined comprehensive risk management plans to cope with all situations. This year, due to volatile foreign-currency exchange rates, which posted direct impacts on business transactions, ERMC was assigned an additional task to closely monitor financial risks from such volatility. In addition, ERMC managed risks to ease impacts from oil price volatility by deploying hedging tools and managed risk from the Bongkot and Erawan petroleum blocks bidding, which PTTEP has won, to ensure efficient, uninterrupted operation and support its mission of enhancing the energy security of Thailand.

### 2. Oversaw corporate stakeholder management:

This was intended to make such management complete and embrace thorough management for all stakeholders. To this end, key business plans were taken into consideration to reduce possible impacts on each group of stakeholders. Then, the findings were used in strategizing and planning for stakeholder management that suited each circumstance. Finally, a scope for monitoring, and assessing such management was laid down along with a review of ongoing stakeholder management plans.

### 3. Closely monitored risk management every quarter:

Instituted leading KRIs (Key Risk Indicators) and lagging KRIs. Counseled the management on the improvement of its business practices by revising risk management plans to align with prevailing business strategies and circumstances. Finally, reported ERMC's performance to the Board.

### 4. Deliberated and commented on long-term obligations, business complication, and significant impacts on PTT:

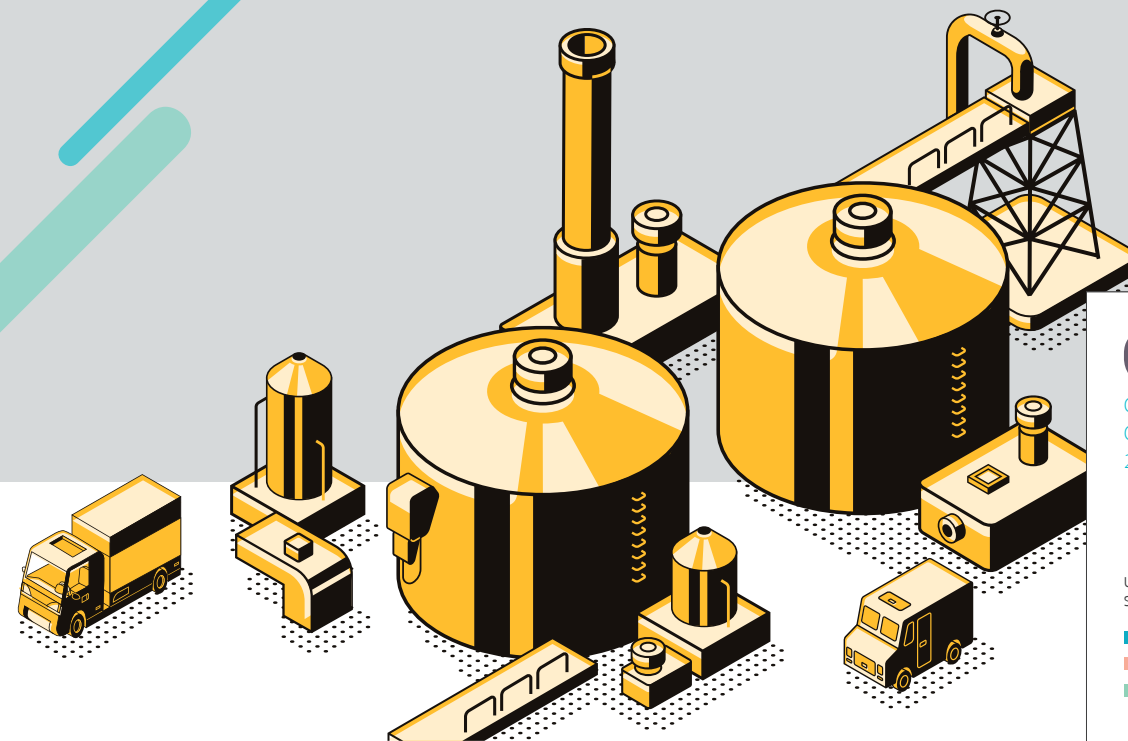
This was done before tabling them to the Board.

### 5. Screened the list of 2019 corporate risks and sought endorsement of the Board:

To this end, a list of risk items and corporate risk management plans were integrated with the preparation of the 2019 enterprise plans. As a result, risk management plans became more explicit, in line with the corporate directions, goals, and business strategies. Implementation was cascaded across the corporation to address risks and promptly become poised for risk handling.

Thanks to all personnel's value given to excellence in risk management and strategies, dedication, and cooperation, the year was regarded as a successful one for risk management, with all risks contained to manageable levels. Such, risk management success supported PTT's full business performance and expansion amid challenging circumstances.

# Overview and Outlook of Economy, Petroleum and Petrochemical Industries



## Review of 2018

### World Economic Review

The world economy in 2018 expanded at a slightly slower pace than in 2017, reflecting weaker growth in the advanced economies, especially in the Eurozone where export growth slowed on the back of a stronger euro after a surge in the final quarter of 2017, despite favorable financial conditions helping support the Eurozone economy in 2018. Meanwhile, US economic growth accelerated sharply, as strong labor market and federal tax cuts helped boost consumer spending, allowing the Federal Reserve to increase its policy rate four times in 2018, amid uncertainty created by the trade dispute with China. As for emerging markets and developing economies, economic growth slowed in China, but still above the government's target of 6.5%, amid authorities' deleveraging campaign and Chinese exporters front-loading their shipments over trade war fears. The International Monetary Fund (IMF) in January 2019 estimated global economic growth for 2018 at 3.7%, compared with a 3.8% growth in 2017 (Figure 1).



Estimated global economic growth for 2018 at  
**3.7%**

Figure 1

Global Economic Growth  
2016 - 2018

Unit: % yoy  
Source: IMF, January 2019

■ World  
■ Advanced Economies  
■ Emerging Market and Developing Economies

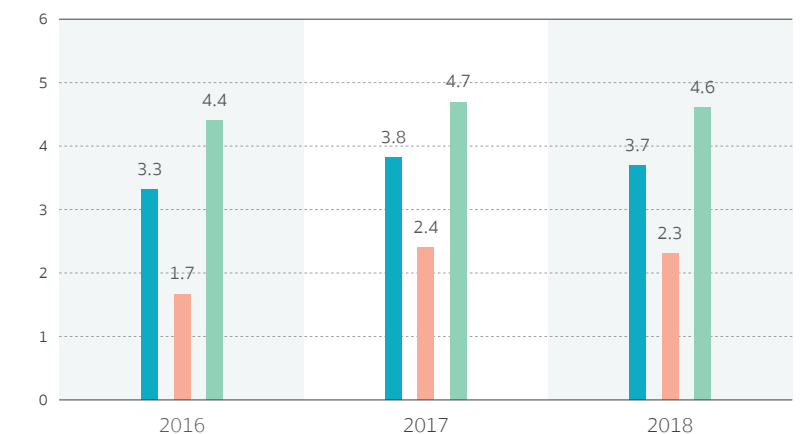
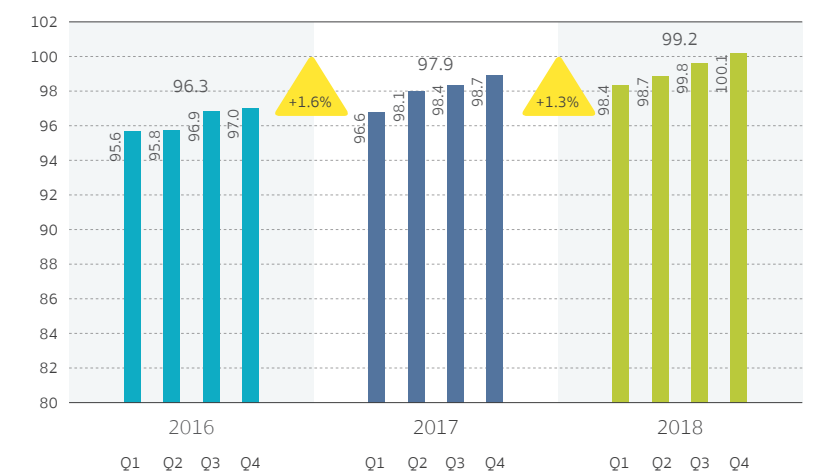


Figure 2

World Oil Demand  
2016 - 2018

Unit: Million barrels/Day  
Source: IEA, December 2018



### Petroleum and Petrochemical Review

World oil demand in 2018 increased 1.3 million barrels per day, slower pace than in 2017, driven by weaker global economic growth and much higher oil prices. The International Energy Agency (IEA) in February 2019 estimated world oil demand growth for 2018 at 99.2 million barrels per day (Figure 2).



Stronger world oil demand—together with concerns over supply tightness due to OPEC and non-OPEC production cut measures, sliding Venezuela's crude oil exports, geopolitical tensions in the Middle East, resumption of US sanctions on Iran, and US crude oil exports being constrained by logistical restrictions—resulted in Dubai crude oil price averaging USD 69.4 per barrel in 2018, compared with a USD 53.2 per barrel average in 2017 (Figure 3).

As for the prices of refined petroleum products in 2018, the price of gasoline 95 octane averaged USD 79.9 per barrel, an increase from 2017 amid higher crude oil prices and flat gasoline demand growth, despite the rising Chinese supply raising gasoline inventories above the five-year average and putting some downward pressure on gasoline prices. All these led to a significant fall in gasoline crack spreads in 2018. Diesel price in 2018 averaged USD 84.1 per barrel, an increase from 2017 amid higher crude oil prices, falling diesel supply specifically in the fourth quarter of 2018, yet still strong diesel demand. All these led to a rise in diesel crack spreads in 2018. Fuel oil price in 2018 averaged USD 66.8 per barrel, an increase from 2017 amid higher crude oil prices and reduced

export supply from the Middle East, particularly during the northern hemisphere summer months. All these led to fuel oil crack spreads remaining elevated in 2018. LPG CP price in 2018 averaged USD 541 per ton (Figure 3).

Dubai crude cracking margin in Singapore in 2018 averaged USD 5.8 per barrel, compared with a USD 7.1 per barrel averaged in 2017.

Asian petrochemical markets overall saw higher prices in 2018—with the prices of petrochemical products remaining at high levels in the first three quarters, in line with crude oil and Naphtha prices, as well as strong demand for plastic products following China's ban on imports of plastic waste. Petrochemical products prices, however, descended lower in the final quarter of 2018, in line with crude oil prices and short-term market situations. Specifically, High Density Polyethylene (HDPE) price averaged USD 1,330 per ton in 2018. As for Paraxylene (PX), factors supporting the price in 2018 also included the continuously high demand for polyester, and the new PX plants in Vietnam and Saudi Arabia were not able to run at full capacities. PX price in 2018 averaged USD 1,067 per ton (Figure 4).

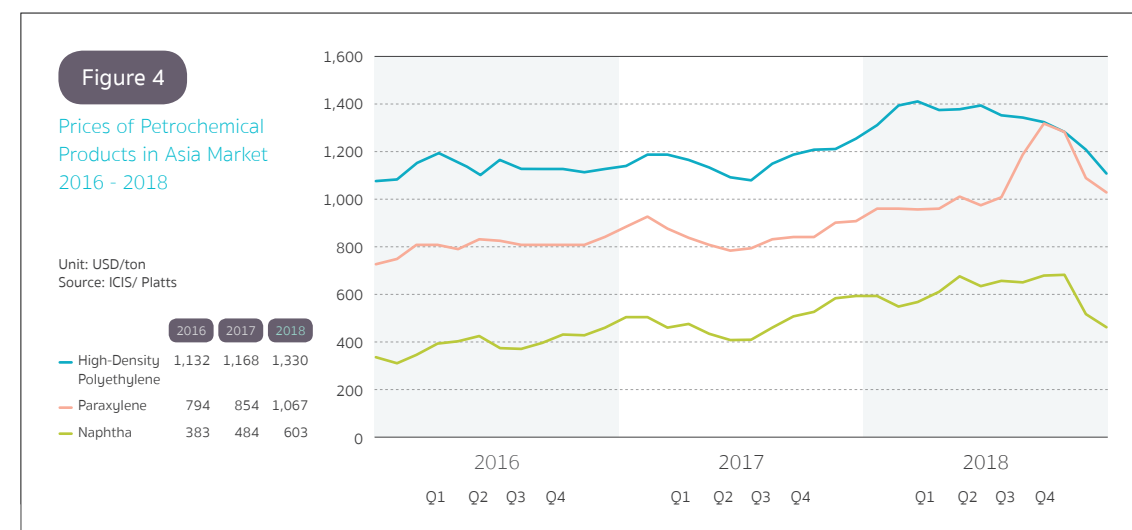
## Thailand Economic Review

Economic activity in Thailand continued to expand in 2018, mainly due to acceleration in growth of private investment, specifically inventory investment. Private consumption growth also accelerated, amid stronger and more broad-based income growth. Public spending, particularly the government's long-term infrastructure plans, finally gained some traction. Meanwhile, merchandise exports had continually expanded, then declined from last year due to the slowdown at world economy. The tourism sector continued to expand quite strongly, despite a drop in the number of Chinese tourists following the Phuket boat tragedy in July 2018. According to the Office of the National Economic and Social Development Council (NESDC), Thai economy expanded 4.1% in 2018, compared to a 4.0% growth in 2017. As for the stronger THB in 2018, Thailand's large current-account surplus, together with strong economic fundamentals including the high level of foreign exchange reserves relative to short-term external debt, resulted in exchange rates between the THB and USD dollar averaging THB 32.3 per USD in 2018 (Figure 5).



Thai economy expanded

**4.1%**



## Domestic Petroleum Overview

The 2018 domestic primary commercial energy consumption, excluding renewable energy, rose 1.1% from 2017 to 2.14 million barrels per day (Figure 6). Consumption of oil rose 1.9% but the consumption of natural gas dropped 1.3%.

The 2018 domestic consumption of refined products surged 1.9% (Figure 7), including 3.1% rise in gasoline, 1.5% rise in diesel, 5.2% rise in aviation fuel, and 4.2% rise in fuel oil consumption. The increase in gasoline and diesel consumption was considered low, reflecting the economic volatility in the latter half of 2018. Higher tourist arrivals and the number of flights drove up the consumption of aviation fuel.

Consumption of LPG, however, dropped 2.4% due to lower consumption by the transport sector, while consumption in the industrial sector remained stable.

The 2018 domestic petroleum balance, shown in Figure 8, totaled 2.03342 million barrels per day, a 0.38% rise from the previous year. Oil and natural gas supply accounted for 60% and 40%. Of this total, 89% of oil was imported and 14% of natural gas was imported. Total sales of petroleum products rose 1.56% from the previous year to 1.79702 million barrels per day; 54% of these were refined products and 46% was natural gas. Exports of petroleum climbed 4.28% to 0.24254 million barrels per day.

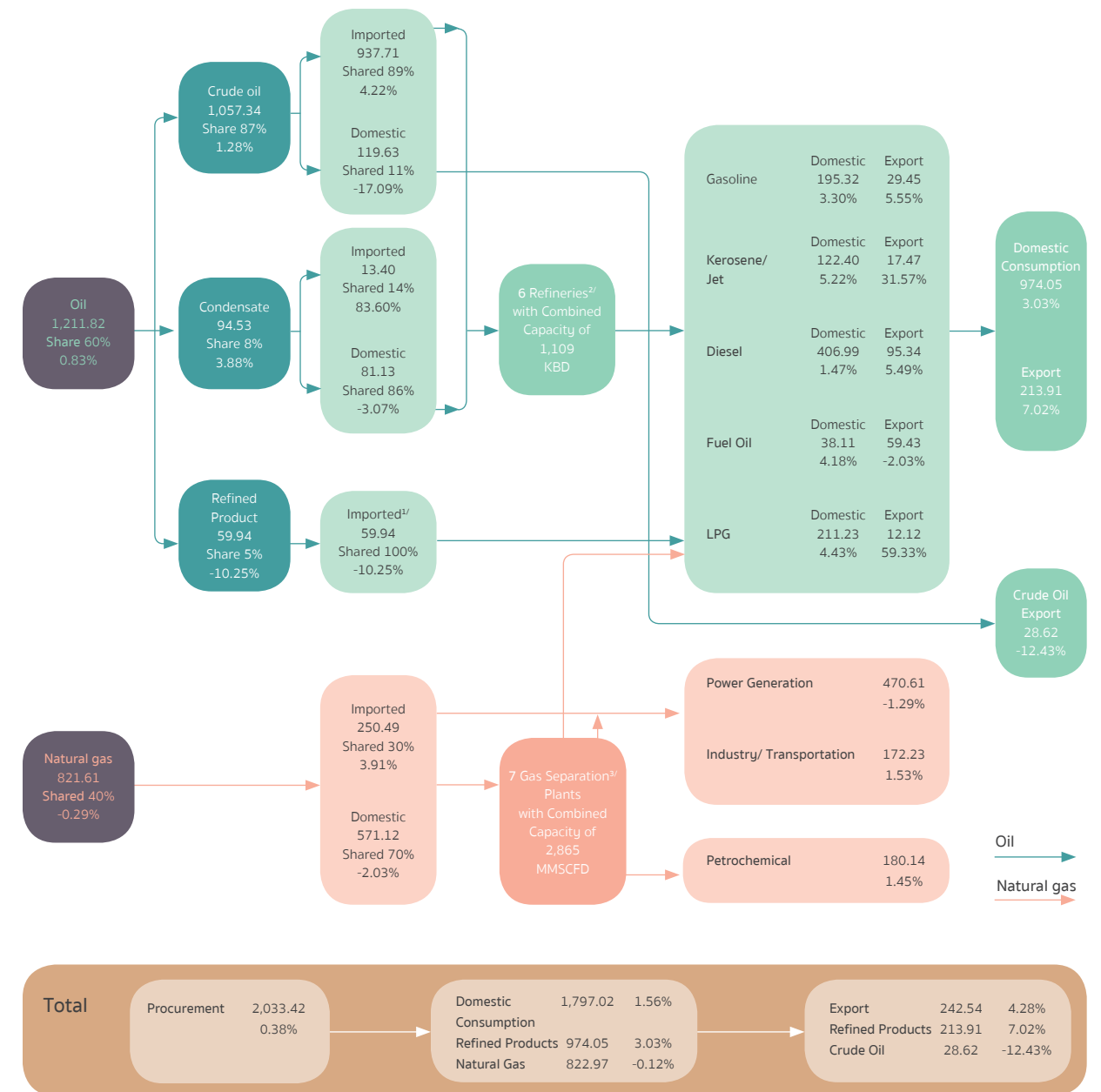
Figure 8

Thailand Petroleum Balance 2018

Unit: KBD

Procurement

Domestic Consumption/ Export



Source: Energy Policy and Planning Office, Department of Energy Business, Department of Mineral Fuels, and PTT

Note:

1/ Including LPG

2/ Capacity includes those of BCP, ESSO, IRPC, PTTGC, SPRC, THAI OIL and TOP and excludes PTTGC's condensate splitters & Fang refinery

3/ Capacity includes those of PTT GSP 1 - 6, PTT ESP and PTTEP Siam/ Phalang Phet. The Petroleum Procurement and Domestic Consumption/ Export exclude bitumen.

Figure 6

Thailand's Commercial Primary Energy Consumption 2016 - 2018

Unit: MBOED  
Source: Energy Policy and Planning Office

Hydro/ Imported electricity  
Coal  
Oil  
Natural gas

Note:  
Excluding renewables energy 2018 data is the forecast

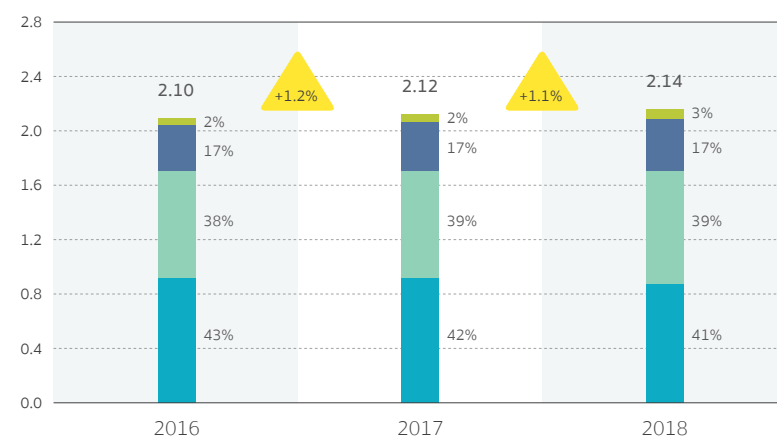


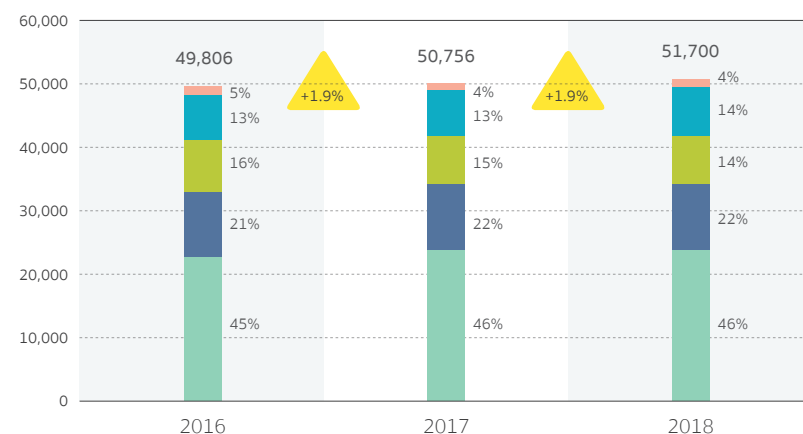
Figure 7

Petroleum Product Consumption 2016 - 2018

Unit: ML  
Source: Department of Energy Business

Fuel Oil  
Jet/ IK  
LPG\*  
Gasoline  
Diesel

Note:  
\* Excluding LPG used as Feedstock in Petrochemical Industries Year 2018 data was estimated





# Outlook for 2019

## World Economic Outlook

Global economic growth is projected to slow further in 2019 – with US economic growth expected to decline amid fading tax-cut boost and the uncertainty over the trade conflict with China, despite continuing to benefit from the strong labor market. Meanwhile, economic recovery is expected to slow slightly in the euro area on the back of less accommodative monetary policy and home-grown political difficulties. In China, growth is expected to meet the government's target of 6-6.5%, amid Beijing easing off its debt crackdown campaign and more support measures being rolled out to mitigate threats to growth from the trade conflict with the US. Downside risks to the world economy include an escalating cycle of trade restrictions and retaliation, a surprise tightening of global financial conditions, and political uncertainty and geopolitical tensions and strife. The IMF in January 2019 forecasted global economic growth for 2019 at 3.5%.

According to IEA estimates in February 2019, world oil demand is expected to average

# 100.6

million barrels per day

## Petroleum and Petrochemical Outlook

According to IEA estimates in February 2019, world oil demand is expected to increase 1.4 million barrels per day to average 100.6 million barrels per day in 2019, with emerging markets and developing economies, specifically China and Asian countries, being the key driver. Meanwhile, oil demand growth in advanced economies is likely to remain flat. As for oil prices in 2019, factors exerting upward pressure on the prices include the ongoing OPEC and non-OPEC deal to curb output, US sanctions on Iranian exports of crude oil and condensate, and geopolitical tensions in the Middle East; whereas factors exerting downward pressure include rising US crude oil exports, especially when the new oil pipeline will be finished in late 2019, and the global economic slowdown which is subject to significant downside risks. Dubai crude oil price is expected to average USD 60-70 per barrel in 2019, while Dubai crude cracking margin in Singapore is expected to average USD 5 - 6 per barrel.

As for petrochemical products, a price decline is foreseen in 2019 – with HDPE price expected to average USD 1,123 per ton on the back of rising US supply, and PX price expected to average USD 947 per ton amid new PX capacities being added in China and elsewhere.

## Thailand Economic Outlook

The Thai economy in 2019 is expected to expand at a slightly slower pace than in 2018, following a slowdown in growth of merchandise exports amid weaker growth in key trading partners. Private investment growth is expected to slightly soften, due to potential destocking after an unusual inventory spike in 2018, whereas gross fixed capital formation should continue to grow, in line with the progress of the government's Transport Infrastructure Investment Action Plan and the Eastern Economic Corridor (EEC) Development Plan where more infrastructure projects are entering construction phase in 2019. As for private consumption, growth is expected to continue partly on the back of government support for low-income earners. Meanwhile, the tourism sector is likely to recover, as Chinese tourist arrivals rebound from the Phuket incident, amid the ongoing government tourism stimulus measures. Downside risks to the Thai economy include a greater-than-envisaged growth slowdown in key trading partners, delayed tourism recovery, and political transition and accompanying uncertainties. The NESDC in February 2019 projected the Thai economy to grow 4.0% in 2019. As for the value of the baht, analysts foresee a slight appreciation in 2019, with exchange rates between the baht and US dollar averaging THB 31.5-32.5 per USD, in line with a slower pace of the Federal Reserve's monetary policy normalization and rising market concerns over weakness in key economies.





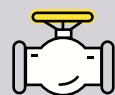
# Nature of Business & Performance Summary

Throughout our four decades of business as the national energy company, PTT has remained true to its ways: relentless, comprehensive capability development while running integrated petroleum and petrochemical businesses with a focus on creating economic as well as social value, strengthening national energy security, achieving prosperity while contributing to peaceful co-existence in society, and striking a careful balance between business and the environment. All these propel the corporation to a Pride and Treasure of Thailand, poised to stride into the future.

Amid dynamic global changes, PTT has remained committed to its mandate of extending its businesses through innovation derived from its operated and invested businesses in pursuit of excellent performance.

# PROSPERITY

## GAS BUSINESS



Engage in natural gas supply procurement and gas-related value-added business. imported LNG

**11.5** MMCF/D

expanded natural gas pipeline to Nakhon Ratchasima.

## EXPLORATION AND PRODUCTION BUSINESS



Conducted through PTT Exploration and Production Plc. (PTTEP)

implemented 40 projects in **11** countries.

## PETROCHEMICAL & REFINING BUSINESS



Refined crude oil into petrochemicals for distribution and provided port and tank facilities through 4 companies (GC, TOP, IRPC, PTT TANK)

**7.7**

million tons per year of petrochemical sales.

## OIL BUSINESS



Through PTTOR, Oil and Retail Business engaged in the distribution of petroleum products of

**20,766**\* million liters

and non-oil goods to efficiently meet customers' demand while growing along with society

\*excluding LPG, petrochemical, and lubricant.

## TRADING BUSINESS



Procurement of crude oil and condensate from domestic sources.

**10,057** million liters

From domestic sources 95% of the national output Total

**80,481** million liters

Across all regions.

## POWER & UTILITY BUSINESS



Conducting electricity business and public assistance through GPSC. Producing electricity and public assistance to industrial clients as an Independent Power Producer (IPP), with power generating capacity of

**1,955** megawatts

according to the shareholding ratio, and steam production of

**1,585** ton per hours.



## COAL BUSINESS

Operated in Indonesia through SAR Sold a total of

**8.2**

Million tons of coal.

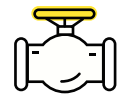


## TECHNOLOGY & ENGINEERING BUSINESS

Technology and Engineering Business was founded on January 1, this year as a result of organization restructuring.

# PTT-operated Businesses

## Gas Business Group



## GAS BUSINESS

The gas business unit's success in 2018 resulted from gradually rising prices of world oil and petrochemicals, whereas domestic gas costs are more stable. It also came from relentless process efficiency improvement at GSPs to prune operating expenses.

PTT engages in natural gas supply procurement, wholesale and retail gas sale, and gas-related value-added businesses through PTT Group. The supply includes domestic gas, imports from neighboring countries, and Liquefied Natural Gas (LNG) imports of sufficient volumes to meet the demand of major power producers through PTT's transmission pipelines, industrial users through distribution pipelines, and distribution to the transport sector through NGV service stations. PTT sells products derived from its invested Gas Separation Plants (GSPs) to supplement business value to the gas obtained from the Gulf of Thailand for petrochemical feedstock, and sells LPG for households, industry, and transport.

PTT also invested in LNG-receiving terminals through PTT LNG Co., Ltd., a wholly owned subsidiary of PTT, to provide service for LNG storage vessels and LNG re-gasification in order to accommodate PTT's LNG imports. The expanded phase 1 of the LNG Receiving Terminal Project was to raise the production capacity from 10 to 11.5 million tons.

The structuring of wholesale and retail gas sales prices comes under the Energy Industry Act, B.E. 2550 (2007). As a rule, the natural gas supply and wholesale business structures sales prices for power producers, together with gas transmission management, with a constant return as set by the public sector, whereas the price of the gas distribution to industrial customers is depended on the world fuel oil so as to be competitive with alternative fuels,

namely domestic retail fuel oil prices. For GSPs, products are sold as petrochemical feedstock, in turn based on petroleum and petrochemical prices, tied to world markets. As for LPG sold domestically as a fuel, the National Energy Policy Council (NEPC) on July 3, 2017, endorsed full liberalization of the LPG business. To elaborate, announced ex-refinery prices will be based on imported prices from world markets and import expenses for the benefit of overseeing retail LPG prices only. Currently, LPG exports requires permission from the public sector which collects contributions to the Oil Fund at THB 0.70 a kilogram; besides, a rate was set for contribution to the fund (or compensation for LPG derived from GSPs for use as fuel). In addition, the public sector requested PTT to continue its subsidy to ease impacts of LPG price rises for the household sector, specifically retail shops, street hawkers, and food stalls.

The gas business unit's success in 2018 resulted from gradually rising prices of world oil and petrochemicals, whereas domestic gas costs are more stable. It also came from relentless process efficiency improvement at GSPs to prune operating expenses. Business models have been added with a greater focus on serving third parties and modifying material and machinery procurement strategies, which enabled PTT to gain more revenue. This year's highlights are as follows.

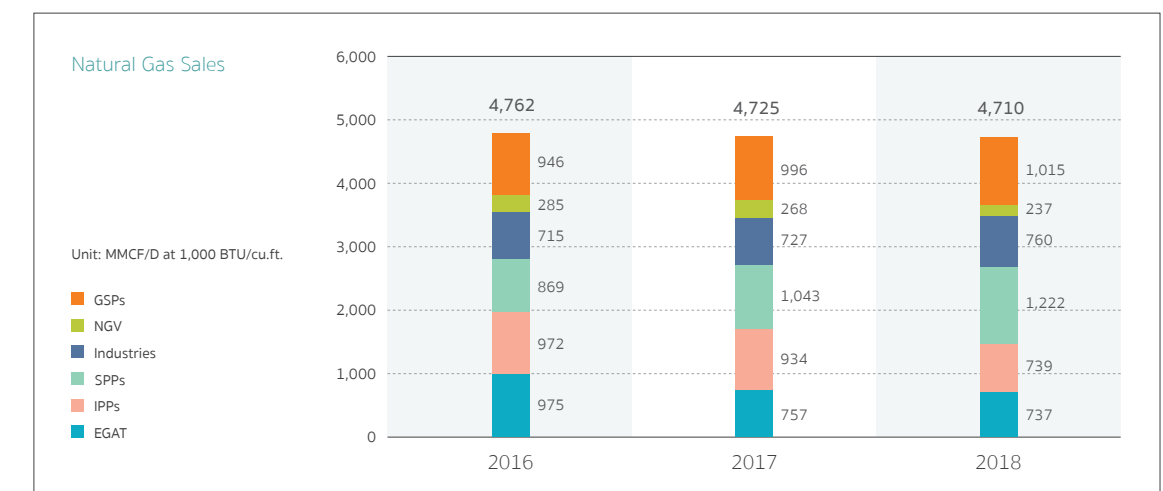


## Natural Gas Procurement

Supply procurement totaled 4,708 MMCF/D, a 0.3% fall from last year at 4,720 MMCF/D, consisting of 3,276 MMCF/D from domestic sources and 1,432 MMCF/D from import, or an equivalent domestic/import ratio of 70:30.

## Gas Sales to the Power Sector

Sales to this sector totaled 2,698 MMCF/D, about 57% of total sales, representing a 1.3% drop from last year (2,734 MMCF/D) due to the declining demand for power. Sales were completed to EGAT at 737 MMCF/D, or 16%; to 10 independent power producers (IPPs) at a total of 739 MMCF/D, or 16%; and to 68 small power producers (SPPs) at 1,222 MMCF/D, or 26% of the total sales.





Gas Sales to the Industrial Sector

Sales of Products from GSPs

Sales to this sector totaled 760 MMCF/D, equivalent to 16% of the total sales, an increase of 4.5% from last year (727 MMCF/D). A total of 362 entities used industrial gases this year: 331 in the industrial group, 30 in the self-power-generating group, and one in the commercial group. Accounting for the rise was investment in gas distribution pipelines (extension) in Ratchaburi Industrial Estate, Ratchaburi, and that in the Eastern Seaboard Industrial Estate, Rayong, among others.

Gas Sales to the Transport Sector

Sales to the transport sector averaged 237 MMCF/D (5%) of the total sales, recording a 12% decline from last year (268 MMCF/D) due to the plunge in world oil prices and in turn falling domestic gasoline and diesel prices. In the meantime, with the public sector’s policy of NGV price floating and improved gas quality value, the NGV sales prices in this sector rise this year, causing more consumers to return to gasoline and diesel consumption.

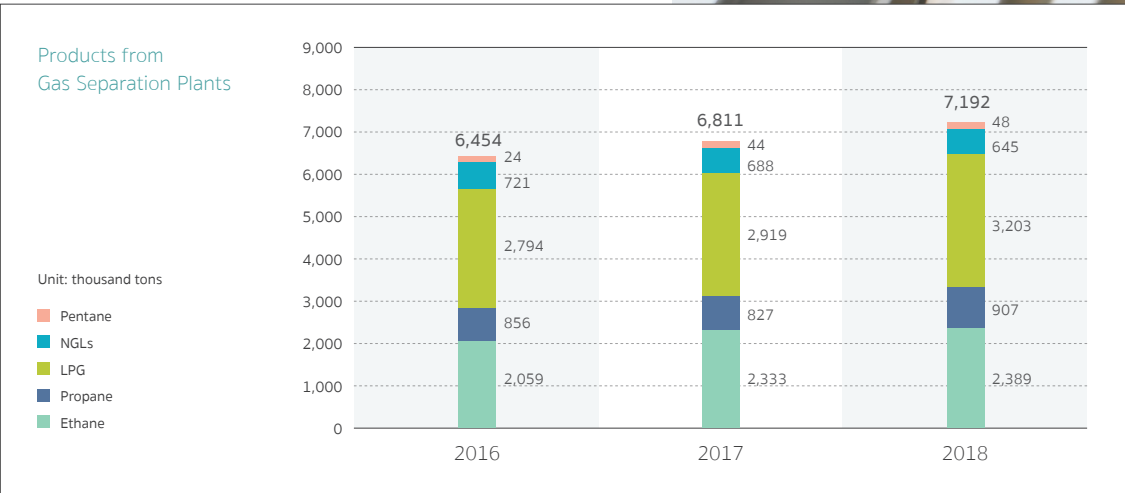
GSPs processed 1,015 MMCF/D of natural gas this year, or 22% of total sales, a 2% surge from last year (996 MMCF/D) because GSP Unit 5 gained 10 MMCF/D in productivity this year, beginning in the second quarter, which prompted sale of more products. This rise was aided by ongoing productivity improvement activities, which contributed to improved GSP performance through more effective and efficient processing.

Natural Gas Distribution Through Transmission Pipeline

This consists of offshore gas distribution which connects to gas fields in the Gulf of Thailand, eastern onshore gas distribution from the Gulf, western onshore gas distribution from Yadana, Yetagun, and Zawtika gas fields, located at the Thailand-Myanmar border, and distributes gas to power generators, GSPs, NGV stations, and industrial plants. This year’s highlights are as follows.

- Nakhon Ratchasima Natural Gas Transmission Pipeline Project (Phase 2) was completed, with regular commissioning starting up on November 28. Gas entered the distribution system on December 14.

- The Wang Noi Compressor Station introduced gas to the system on October 20 and successfully tested its machinery, with a performance acceptance certificate (PAC) granted on December 21.
- The 5<sup>th</sup> Natural Gas Transmission Pipeline Project (Rayong to Sai Noi and North and South Bangkok Power Plants (Phase 1)) completed about 60 km out of 208 km of gas pipelines successfully laid from the Fifth Pipeline route (Phase 1). Phase 2 completed the beginning of gas pipeline construction at Amphoe Sai Noi, Nonthaburi, and Nong Chok, Bangkok, with the open cut method; preparation of areas and pipelaying machinery with HDD and boring was ongoing.
- The Natural Gas Transmission Pipeline Project from Block Valve Station No. 6 at Ratchaburi to Wang Noi was under construction, with about 32 km out of 120 km of pipelaying completed.





International Trading Business



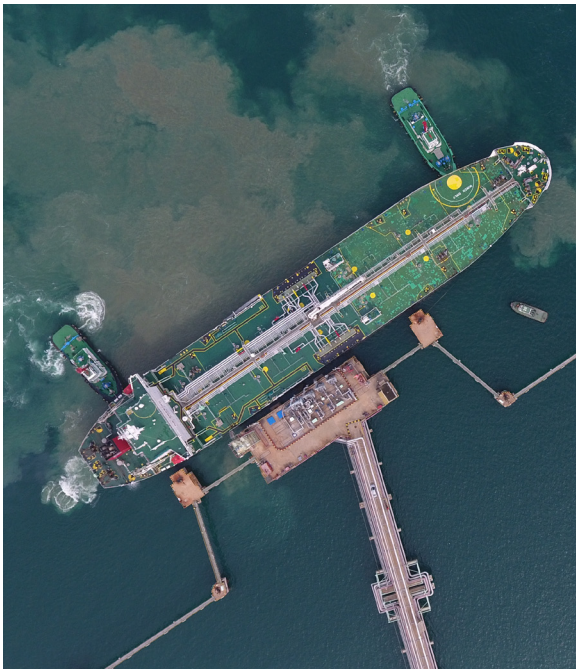
PTT operates fully-integrated international trading businesses to enhance national energy security in parallel with the expansion of trading bases to all regions of the world, covering supply procurement, import and export of crude oil, condensate, LPG, petroleum and petrochemical products, solvents and chemicals, and palm products like crude palm oil, refined palm oil, and palm kernel shells. It is also in charge of price risk management and international shipment in order to achieve its aim to become a leading multinational trading company.

Performance hinges on the pursuit of opportunities for growing commercial trading beyond borders, it has therefore appointed subsidiaries and representative offices in commercial hubs around the world, including Singapore; Dubai, United Arab Emirates; Shanghai, China; Jakarta, Indonesia; and London, UK. As a result, PTT is managing business transactions around the world. Since international trading transactions are high in value, it applies risk control best practices adopted by leading international from Trading Houses. To elaborate, panels set policies and steer assorted risk management tasks and clearly divide work structure and roles (Front-Mid-Back) for checks and balances; PTT also applies digital technology to develop systems for transaction control, operation, and transaction risk control for transactions to enable quick and transparent transactions and efficient audit.

The success of the International Trading Business Unit stemmed from the relentlessly expanded trading networks all over regions, coupled with the operation of affiliates and representative offices located in strategic trading points across all regions and the Global Book Portfolio management model, which creates efficient trading transaction management in parallel with the application of expertise, skills, and experience in international transport service and efficient risk management. This year's highlights are as follows.

1) Adequate national energy supply

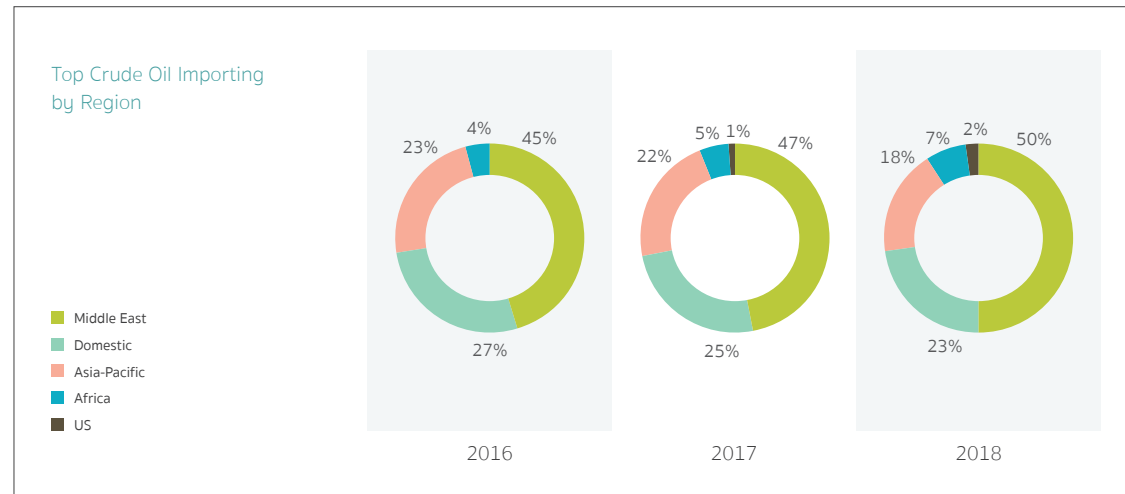
PTT secured its refineries and petrochemical complexes for enhancing energy security by sourcing domestic and overseas energy and allocating them in suitable proportions and quality. This year, the business unit procured 10.057 billion liters (95% of the total output) from domestic sources and secured crude oil and condensate from more diverse sources to ensure that Thailand continued to process quality crude oil. Particularly, PTT secured crude from the US as a refinery option thanks to similar properties to the traditional grades previously fed to domestic refineries, yet lower sulfur contents. This move accommodated the IMO Regulation, which requires no more than 0.5% sulfur content versus 3.5% currently, with effect from January 1, 2020. This year, a total of 33.192 billion liters (61% of Thailand's total imports) was imported.



GAS TRANSPORTATION PIPELINE CAPACITY

- Natural Gas Field
- Power Plant
- Gas Separation Plant Unit 1, 2, 3, 5, 6 in Rayong
- Gas Separation Plant Unit 4 in Nakhon Si Thammarat
- Block Valve/ Important node in pipeline network
- Map Ta Phut LNG Terminal (T-1)
- LNG Receiving Terminal (T-2): Future
- Existing Pipeline
- Future Pipeline
- Industrial Estate

Gas Separation Plant Capacity	
Unit 1	420 MMCF/D
Unit 2 and 3	820 MMCF/D
Unit 4	170 MMCF/D
Unit 5	580 MMCF/D
Unit 6	880 MMCF/D



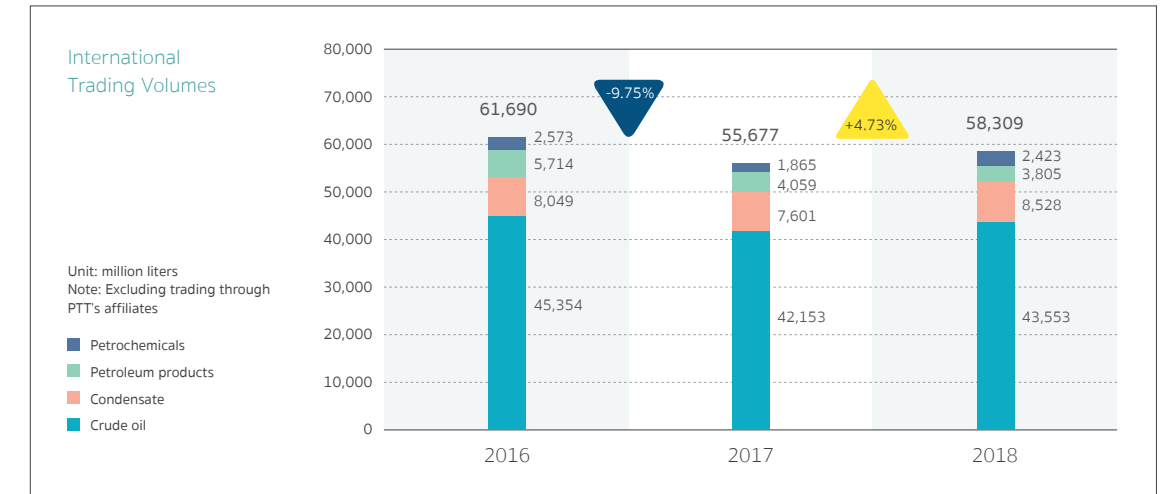
Also, PTT also imported petroleum products to accommodate periodic rises in national energy demand, including imports of GBASE for gasohol production, LPG for the industrial, transport, and household sectors, and imports to meet demand in certain periods, such as during refinery turnarounds that called for diesel import, and fuel oil imports for reserve power generation. This year, a total of 658 million liters (19% of Thailand's total imports) was imported.

## 2) Value addition to national product surplus

PTT's instrumental role is also to provide balance of energy and create economic prosperity for Thailand, achieving through the collaboration among refineries, petrochemical complexes, and PTT's GSPs in exporting petroleum and petrochemical products beyond national demand, including fuel oil, low-grade diesel, LPG, NGL, olefins and aromatics products. The aim is to add value and remit export revenue to Treasury. This year, PTT exported 4.347 billion liters of petroleum products or about 35% of Thailand's total exports along with 1.963 billion liters of petrochemical products.

## 3) Expansion of trading bases worldwide

Besides the mission of enhancing national energy security through the procurement of products and value addition to surplus products by exporting, PTT also focuses on expanding international trading to all regions through affiliated companies and representative offices located in strategic energy trading locations, both eastern and western hemispheres, which track intelligence and movement round the clock. These offices also closely coordinate with PTT's customers and business partners and pursue opportunities for adding value and extend trading transactions in more and more new regions. PTT leverages the Global Portfolio management for trading transaction efficiency and maximum value addition for PTT Group. As a result, this year the out-out trading amounted to 33.412 billion liters, a 4.58% rise over last year (31.947 billion liters).



In 2018, the business unit posted a trade total of 58.309 billion liters, a rise of 2.632 billion liters (4.73%) from last year (55.677 billion liters), mainly due to rising import volumes of crude oil and condensate for domestic refineries and rising exports of petrochemicals. Trading was made up of 43.553 billion liters of crude oil, 8.528 billion liters of condensate, 3.805 billion liters of petroleum products and LPG, and 2.423 billion liters of petrochemicals and solvents. Then, there was trading in other commodity markets, including crude palm oil, refined palm oil, and palm kernel shells, whose total trade volume was 83,000 tons.

The year saw a total trade volume, incorporating transactions undertaken by international trading units of affiliated companies, of 80.481 billion liters (excluding connected transactions), 6.4% rise or 4.843 billion liters from last year (75.638 billion liters). The total trade volume undertaken by affiliated companies amounted to 25.366 billion liters, 10.04% rise (2.315 billion liters) from last year (23.051 billion liters)—a result of PTT's commitment to expanding trading bases abroad for greater national energy security and pride of Thais in the international trade arena.







## Technology and Engineering Business

This business was established on January 1, 2018, with the organization restructuring to engage in engineering, real estate, digital, and technology in support of PTT's business. It also develops New Business S-Curve businesses by linking the management of PTT's core business groups, R&D, and promotion of new business opportunities by leveraging PTT's assets, including land, buildings, and facilities for value addition thanks to technology and engineering excellence. The business also develops prototypes and pursues New Business S-Curve opportunities to accommodate domestic and international growth.

The Technology and Engineering Business consists of:

**1) Innovation and Digital** is made up of the Innovation Institute, which engages in R&D with a focus on strengthening technological aspects and upgrading researchers' capability to become experts in various fields, extension and development of digital knowhow into digital transformation. Innovation and Digital also strengthen the IT performance of various PTT business units through PTT Digital Solution Co., Ltd. Finally, to respond to megatrends it focuses on New S-Curve business development, including electricity value chains, robotics, and Artificial Intelligence (AI).

**2) Engineering and Project Management** is made up of engineering and construction project management, land management, project assessment regarding safety, the environment, society, and communities, and development of terms of reference in support of PTT's projects for objective and goal achievement.

**3) Wang Chan Valley Development Project** for EECi in support of the government's EEC. The business designs public utilities infrastructure and develops the area for commercial purposes in the form of a smart city to accommodate the country's research and innovation under the Thailand 4.0 policy.

## Businesses invested through PTT Group companies

### Petroleum Exploration and Production (E&P) Business



PTTEP operates domestic and international petroleum E&P and invests in exploration for petroleum deposits of crude oil and natural gas that are competitively priced to ensure Thailand's energy security.

#### PTT Exploration and Production Plc (PTTEP)

PTTEP operates domestic and international petroleum E&P and invests in exploration for petroleum deposits of crude oil and natural gas that are competitively priced to ensure Thailand's energy security. It sells petroleum outputs from domestic and regional projects, most of them in the form of natural gas, primarily to the domestic market.

PTTEP's performance is primarily subject to the world oil price, petroleum exploration and field development success, efficient E&P cost management, investment opportunities, and corporate competency development.

In 2018, PTTEP was committed to conducting its business for continual growth and energy security in accordance with

the Coming-Home Strategy, which means PTTEP will focus its investment mainly on geographical areas of expertise. A seen from the success of winning the concession bidding for Bongkot and Erawan fields, including the purchase of an additional 22.2222% interest in Bongkot. In addition, PTTEP has adjusted its investment plan in non-strategic areas by divesting its interests in Montara Field, Australia, that has been producing for a long time at a high production cost. For long-term growth, PTTEP accelerated development of projects awaiting the final investment decisions (FID); for example, the Mozambique Rovuma Offshore Area 1 project. The FID is expected within the first half of the 2019. With regard to





exploration, PTTEP developed plans to accelerate exploration activities in the Republic of the Union of Myanmar (Myanmar) and Malaysia, which will increase its petroleum reserves. In addition, PTTEP is looking for merger and acquisition (M&A) opportunities in regions where PTTEP commands expertise and other high-potential areas, together with strategic alliances.

This year PTTEP proudly presented a net profit of USD 1.120 billion, rising more than 89% from the previous year. This is mainly due to the profit from normal operations, which increased to USD 1.215 billion from the previous year (USD 836 million), resulting from the volume of petroleum sales, the average selling price, and increased oil prices in the world market in 2018. However, unit costs have increased to USD 31.7 per Barrel of Oil Equivalent (BOE) due to higher royalty fees based on the average selling price and an increase in depreciation due to additional stake purchases in the Bongkot project. PTTEP has operated 40 projects in 11 countries in the following;

### Projects in Thailand

PTTEP has implemented 16 domestic projects, mostly in the production phase and operated in the Gulf of Thailand and onshore. In 2018, the average domestic sales volume was 246,457 Barrels of Oil Equivalent per Day (BOED) or 81% of the total sales volume. The major activities included Bongkot achievement in maintaining planned production levels. PTTEP acquired an additional 22.2222% interest in the middle of this year and commanded 66.6667% interest in the current joint venture. In December, PTTEP won the concession bidding for the Bongkot field and the Erawan field, whose contracts will be expired during 2022 - 2023. The project S1 has continuously developed production wells to maintain production levels, whereas Ubon Project (under Contract 4) was in preparation for development, which is expected to commercialize petroleum by 2023.

### International Projects

#### Projects in Southeast Asia

PTTEP has carried out 15 projects in the region, located in Republic of the Union of Myanmar, Socialist Republic of Vietnam, Malaysia and Indonesia. This year the average sales volume from all projects in Southeast Asia was 51,571 BOED, representing 17% of the total sales volume. The projects in the production phase included Zawtika project, had completed

production well drilling on all four platforms of Phase 1C and continued drilling to maintain production levels.

Most projects in exploration are located in Myanmar, both onshore and offshore. Myanmar M3 Project's field development plan, submitted in 4Q2018, is awaiting approval from the Myanmar government. The Sarawak SK-417 Project were in progress with geological and petroleum potential data processing. Field development plans of projects offshore Vietnam, namely Vietnam B, Vietnam 48/95 and Vietnam 52/97, had been approved. Currently, PTTEP is in commercial negotiation for the FID. It is expected that the commercial production of petroleum will begin in late 2022.

#### Projects in Australasia

PTTEP has one project in the region, namely PTTEP Australasia, comprises of 8 concession blocks.

Montara field is the only project in the production phase with 5, 368 barrels per day in 2018. PTTEP completed divesting its interest in the field to JadeStone Energy Company on September 28. Currently, it was in the process of operatorship transfer to the buyer, which will be effective once approved by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), expected by 2019.

The Cash Maple Field, which was in the exploration phase, had already completed its pre - FEED study) and is now identifying appropriate project development approaches.

#### Projects in the Americas

PTTEP carries out five projects in Americas, located in Canada, the Federal Republic of Brazil and Mexico. All projects are in the exploration phase.

The Mariana Oil Sands Project is located in Alberta, Canada. The Thornbury field Phase 1 development plan had been approved by the Alberta government in May. It is currently identifying appropriate project management approaches.

There are two joint venture projects in Brazil, namely the Barreirinhas AP1 Project, are being studied the geological and petroleum potential.

In Mexico, there are two joint-venture projects, namely Mexico Block 12 (2.4), and the Mexico Block 29 (2.4). PTTEP had submitted exploration plans to the National Hydrocarbons Commission of Mexico in 4Q2018. Approval is expected by the first quarter of 2019.

### Projects in Africa

PTTEP has three projects in the region located in the People Democratic Republic of Algeria and the Republic of Mozambique.

The Algeria 433 Project and Algeria 416B Project are in the production phase. This year, the average production output was 17,350 barrels per day.

The Algeria Hassi Bir Rekaiz Project development plan was approved by the Algerian government in April 2018 and divided into two phases. The first phase has a capacity of 10,000 - 13,000 barrels per day, expected to start production in 2020. Phase 2 will be started production in 2024, which will increase production capacity to 50,000 - 60,000 barrels per day.

The Mozambique Rovuma Offshore Area 1 Project is a large LNG project under the exploration phase. Significant progress in 2018 included the approval by the Council of Ministers on the Golfinho - Atum gas field plan of development in February 2018, contract negotiations for the construction of an onshore LNG plant and the selection of contractors for offshore installation. In addition, the project was in the process of signing long-term LNG sales and purchase agreement with the buyers, including negotiating a project finance loan agreement with financial institutions to support the FID in the first half of 2019. The project is expected to be commercially produced in 2024 with a capacity of 12 million tons per year.

#### Portfolio Management

This year, PTTEP continued implementing a strategic plan in accordance with the 3R guidelines, namely RESET, REFOCUS and RENEW to increase its competitiveness, promote sustainable growth, and prepare for challenges of the future energy business.

RESET  
REFOCUS  
RENEW

#### RESET

This strategy is to increase the volume of natural gas production from major projects and maintain competitiveness.

#### REFOCUS

This strategy is to grow business by focusing on areas where PTTEP has expertise.

#### RENEW

This is a strategy for sustainability by increasing technological potential and seeking other business opportunities.

PTTEP intends to invest in new businesses, including businesses related to energy. Current efforts also include organizational restructuring and work process redesign for more flexibility and efficiency in line future growth plans. The new organization structure is effective from 2019 onward.

### PTT Global LNG Co., Ltd. (PTTGL)

PTT and PTTEP, represented by PTTEP Business Center Co., Ltd., formed a 50:50 joint venture named PTT Global LNG Co., Ltd. (PTTGL), on June 23, 2017, to coordinate cooperation among PTT Group on investment expansion and an integrated LNG business across the value chain. Its first project was the 10% equity acquisition of Petronas in the MLNG Train 9 in Malaysia, an LNG liquefaction plant, representing a business platform for future investment growth in Malaysia as well as pursuit of investment opportunities in other petroleum deposits.

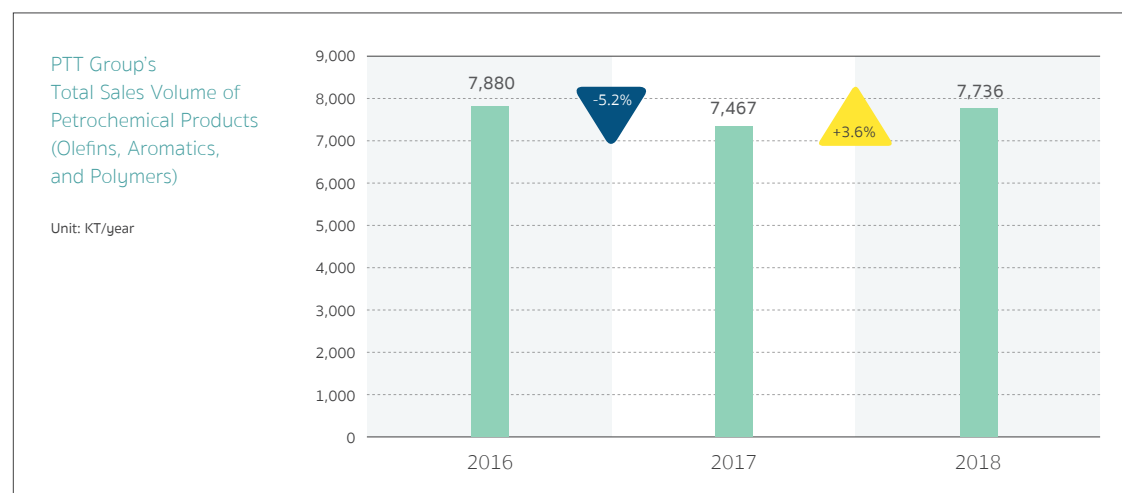
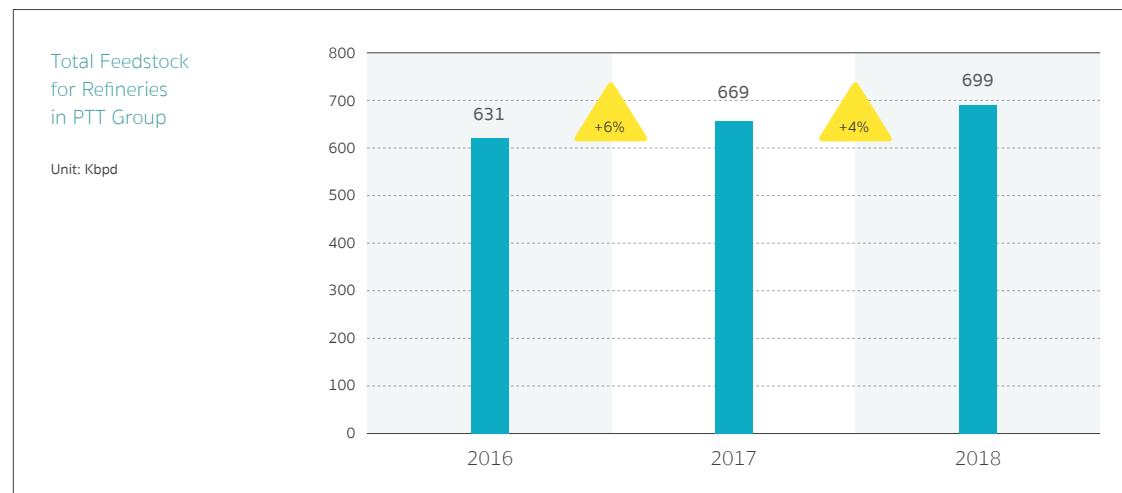


## Petrochemical and Refining Business

PTT invests through four PTT Group companies, namely PTT Global Chemical Plc (GC), Thai Oil Plc. (TOP), IRPC Plc. (IRPC), and PTT Tank Terminal Co., Ltd. (PTT Tank). The scope of business ranges from oil refining, production and sale of upstream, intermediate, and downstream petrochemicals together with various polymers (olefins and aromatics), in addition to marine terminal and tank services. The petrochemical and refining business evolved new product capacities and services to add business values, domestic and international while pursuing investment opportunities to ultimately enhance PTT Group's competitiveness.

The performance of the group is primarily subject to the state of world economy, feedstock and product price margins in the world market, which are a function of world supply and demand as well as year-end inventory (stocks).

### Summary of Petrochemical and Refining Investment Portfolio 2018



In 2018, all feedstock for the petrochemical and refining business units feeding to PTT Group's oil refining totaled 669 KBD (thousand barrels per day), a 4% rise from last year, mainly due to IRPC's planned major turnaround in Q12017. Total petrochemical sales topped 7.736 million tons, a 3.6% rise, as the second aromatics complex of GC underwent planned turnaround from June 4 to July 18, 2017, thus constantly raising processing efficiency. GC began commercial production at LLDPE Plant 2 with an installed capacity of 400,000 tons per year (TPA) in March 2018. Meanwhile, the ethylene oxide group registered a hike, going through the year without a turnaround. Finally, IRPC produced a rising volume of polypropylene due to the commercial start of its PPE and PPE plants in late 2017.

The year saw rising production and sales, coupled with higher ongoing execution efficiency across the organizations, value addition and cost reduction of companies in the group (synergy value) under the PRISM (Petrochemical and Refining Integrated Synergy Management), the PTT Group Operational Excellence Project with application of best practices, Group logistics management, and value chain optimization. At the same, it saw a drop in the margin between gasoline and fuel oil versus Dubai prices while the crude premium rose together with impacts of the plunging crude prices toward the fourth quarter of the year. The bottom line is then a net profit for the Petrochemical and Refining Group of THB 58.324 billion, a drop of THB 17.556 billion.

A summary of investment portfolio adjustment, expansion/are capacity rise by PTT and its Petrochemical and Refining Group are as follow.

### PTT Global Chemical Plc. (GC)

- The Olefins Reconfiguration Project (ORP), which raises the olefins capacity by 750,000 TPA from 2,988,000 TPA to 3,738,000 TPA at an investment of THB 35.657 billion, is due for commercial operation by 2020.

- Engaged in an investment project in specialty chemicals through joint investment with Kuraray and Sumitomo, forming Kuraray GC Advanced Materials, a joint venture, to engage in the production of advanced engineering plastics in Thailand, namely high-heat resistant polyamide-9T (PA9T) at 13,000 TPA and hydrogenated styrenic block co-polymer (HSBC) at 16,000 TPA. The plant is due for commercial operation in 2022.

- Engaged in an investment project for the production of rotomolding compounds through share acquisition from Revolve Group Limited (RGL) of the UK to focus on investment in performance chemicals based mainly on LLDPE.

- Engaged in the Propylene Oxide Project and Polyols Project, under the Polyurethane Business, regarded as performance materials and chemicals. The move completed the international of polyurethane products, with rising market demand in line with the global economy posed by the automotive, construction, electronics, and electrical appliance industries. A subsidiary called GC Oxirane Co., Ltd. (GCO) and a joint-venture company called GC Polyols Co., Ltd. (GCP), were formed by GC and Sanya Chemicals Industries (SCI) and Toyota Tsusho Corporation (TTC) of Japan to engage in the PO and polyol business. The PO/Polyols project value amounted to THB 32 billion, and commercial production is due in 2020.

- Engaged in the Purified Terephthalic Acid (PTA) business and polyethylene terephthalate resin (PET). Here, GC and TOC GC (of GC Group) joined hands with Mitsui Chemicals Inc. (MCI) in a joint venture in Siam Mitsui PTA Co., Ltd. (SMPC) and Thai PET Resin Co., Ltd. (TRPC), to produce and distribute PTA and PET. GC held 74% and TOCGC held 26% in adding value to paraxylene and monoethylene glycol (MEG).





# OIL BUSINESS

## Thai Oil Plc. (TOP)

- Proceeded with the Clean Fuel Project (CFP) to hike its competitiveness through improved process efficiency to add product value by raising its capacity from 275 KBD to 400 KBD, expected to take five years, with completion expected in 1Q2023. The Cabinet also endorsed Thaioil's renewal of its 1,499-rai lease on Treasury Department land, site of its refinery, located on Sukhumvit Road, Tambon Bang Phra and Tambon Thung Sukhla, Chon Buri. The lease was due to expire on September 10, 2022, and will now expire on September 10, 2052. The present value of the rent (as of September 2022) is THB 12 billion.

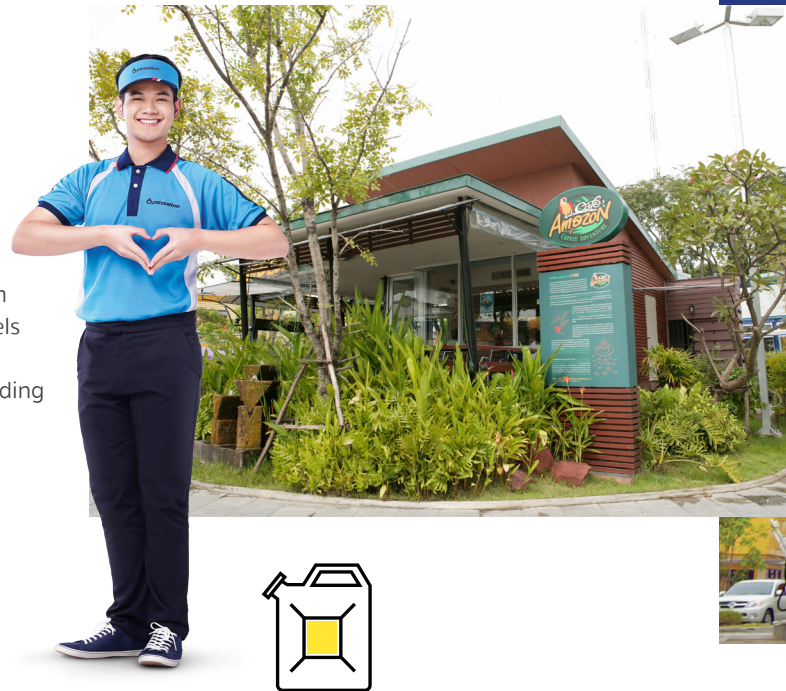
## IRPC Plc. (IRPC)

- Engaged in a joint venture with WHA Rayong Industrial Estate in setting up 2,152-rai industrial estate in the EEC zone, Rayong, with a registered capital of THB 650 million, with WHA holding 60% and IRPC 40%.
  - Invested in a business of plastic product trading through the E-Commerce system in China and in a subsidiary in Thailand:
    - Guangzhao Saiju Performance Polymers Ltd. (GZSJ) of China, engaging in trade of plastics via the E-Commerce platform and management of the IPLAS platform
    - A joint-venture company was set up in Thailand with GSZJ to engage in trade of plastics products via the E-Commerce platform in Thailand.
  - The Maximum Aromatics (MARS) project under a license agreement and engineering agreement with UOP LLC will support IRPC's increase in capacity from 17% to 27%. A final investment decision (FID) is due by 2019.

## PTT Oil and Retail Business Plc. (PTTOR)



Distributes petroleum products of liquid fuels (including LPG) and other products (including lubricating oil) and non-oil products.



The oil business distributes petroleum products of liquid fuels (including LPG) and other products (including lubricating oil) and non-oil products.

All these are sold through two major distribution channels:

1) Retail sale of products and services to consumers, conducted through service stations and outside them. This year PTT evolved its service station format to Living Community, with service stations serving as a community hub, filled with engagement among people and their lifestyles together with good responses to various needs of consumers. In addition, PTT created new PTT-run retail businesses and pursued business partners to jointly develop products and services, create jobs, and extend care for Thais to grow together in a sustainable way. The company provided space for

communities to put quality products on sale direct to consumers at service stations, supporting distribution of community products. PTT also relentlessly engaged its consumers through the PTT Blue Card, whose membership has risen. It has developed customized relationship for each group of members with different basic characteristics and needs by analyzing in-depth data from Big Data. PTT also introduced new benefit schemes under which members earn privileges from leading stores.

2) The commercial market, sold to the aviation group, ocean liners, and industries. PTTOR sells LPG to household and transport customers, as well as lubricants. It sell products to customers under Article 7 of the Fuel Trade Act. Finally, it exports products.

The oil business has become more liberalized and highly competitive under regulation by several laws, including the Commercial Competition Act B.E. 2542 (1999), the Fuel Control Act B.E. 2542 (1999), and the Fuel Trade Act B.E. 2543 (2000). As of December this year, PTT was one of the 46 Article 7 traders registered with the Department of Energy Business. Its performance outcomes are dictated by the fluctuating world oil price, the state of economy affecting consumers' purchasing power, and the success of retail business growth, which is steadily growing.

The business also invests in subsidiaries in other countries to engage in fuel and product distribution.

The business engages in other retail non-oil businesses, primarily consisting of Café Amazon coffee shops, convenience stores, and food and drinks, which include Café Amazon outlets and convenience store business in other countries.





On June 18, 2018, PTT signed a business transfer agreement with PTT Oil and Retail Marketing (PTTOR), for assets and liabilities of the former Oil Business Unit and the shares of related companies to PTTOR. It began the process of assets and liabilities transfer and shares on July 1, 2018. Certain assets related to PTT's oil business were not, however, transferred to PTTOR; these included the land that PTT received from the Fuels Organization, its rights and obligations concerning sale of oil and petroleum products to Thai government agencies under the Procurement and Material Management Act B.E. 2560 (2017), the LPG Terminal in Chon Buri (Khao Bo Ya), the facilities at Ban Rong Po, Sriracha Terminal, and the litigations involving PTT concerning the oil business that the court had registered for handling before the business transfer date. To this end, PTT has set up a unit to look after the assets and run the business portion not yet transferred to PTTOR. Note that the sales volumes of products and related products still remaining at PTT are small.

### Global Power Synergy Plc. (GPSC)

The company operates the production of utilities (electricity, steam and demineralized water) for industrial customers and conducts independent power generation (IPP) with the Electricity Generating Authority of Thailand (EGAT) District Cooling System and Power Plant Company Limited (DCAP) produces electricity and cold water for Suvarnabhumi Airport and Thaioil Power Co., Ltd. (TP) operates electricity production for EGAT and sells electricity and steam directly to customers in the Thaioil Group.

The success of the electricity and public utilities business comes from the management of various production units that ensures reliability and efficiency, including the operations of affiliate companies that are superior to the plan. Furthermore, the company manages its operations to reduce operating costs and consulting fees. The operating results of 2018, GPSC and its affiliates (Consolidated financial statements) showed a net profit of 3.359 billion baht, which is a 184 million baht (annual performance 2017 net profit 3.175 billion baht) increase from 2017.



### Other Business:

#### Energy Complex Co., Ltd. (EnCo)

Provides office space as well as physical resource management services and supports integrated property business development for PTT Group.

#### PTT Energy Solutions Co., Ltd. (PTTES)

Provides engineering technical consultancy services.

#### PTT Digital Solutions Co., Ltd. (PTT DIGITAL)

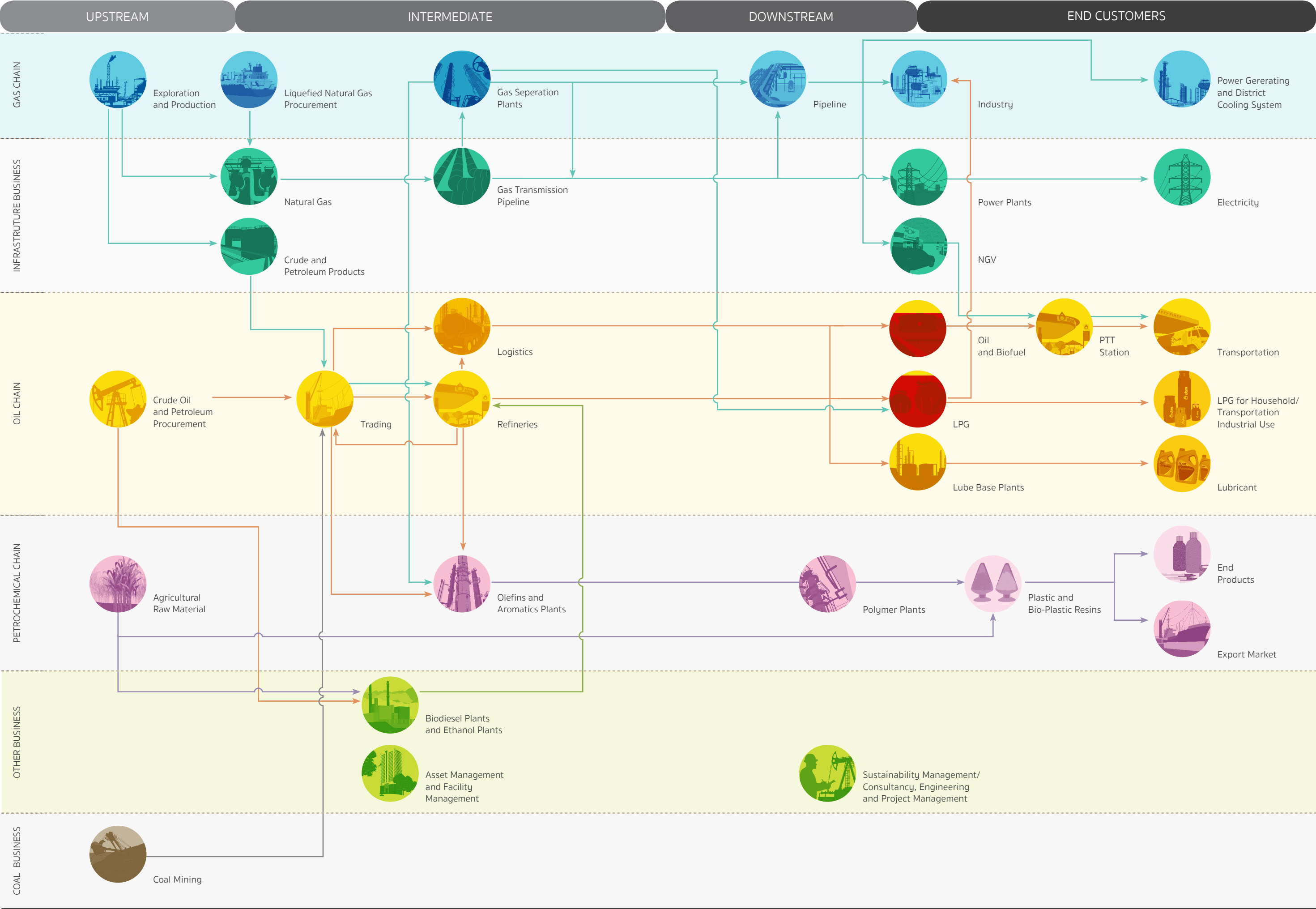
Provides ICT services whose business success is subject to service quality satisfying customers' needs.

#### PTT Global Management Co., Ltd. (PTTGM)

Previously, PTT invested in the coal business through PTT Energy Resources Company Limited (PTTER) by conducting coal mining operations in the Republic of Indonesia through Sakari Resources Limited (SAR). In 2017, PTT Global Management Company Limited (PTT Global Management Company Limited: "PTTGM") became the core company supporting PTT's investment both domestically and internationally by transferring the group of coal-based businesses under the umbrella of PTTGM in 2018. PTT approved PTT Mining Limited (PTTML)'a purchase of SAR shares from minority shareholders who want to sell their shares, resulting in PTTML holding additional shares in SAR. Increased from 95.45% to 95.82%.

In 2018, the coal business had a total sales volume of 8.2 million tonnes, down from 2017, which had a total sales volume of 8.3 million tonnes, mainly selling to coal users in Asia, such as Hong Kong, Taiwan, Korea, Japan, China, India, Malaysia, Indonesia, and Thailand, as well as the United States. The operating results of SAR's coal business showed \$ 90 million in net profit, which improved from 2017, with a net profit of US \$ 89 million. This is the result of Newcastle coal reference price (NEWC index) in the world market increasing from 2017. In 2018, SAR continuously focused on controlling the operating expenses, as well as adjusted sales and marketing plans, including coal blending to increase coal selling prices. The company is also seeking opportunities to invest in additional coal businesses to increase coal reserves, which will enable the company to maintain its competitiveness in the coal business.

Create Value through Business Chain





# PTT 2018 Milestones

## January

- Started delivering natural gas to small power producer (SPP) Gulf TS 4 Co., Ltd., at 17 MMCF/D and delivering CNG to industrial customer Canadian Solar Manufacturing (Thailand) Co., Ltd., at 0.15 MMCF/D.
- Joined forces with the Rubber Authority of Thailand (RAT) to establish a free-of-charge point to sell processed rubber at participating PTT gas stations, creating distribution channels and convenience for the public along with knowledge sharing and innovation to upgrade products to international standards.
- In cooperation with PTT Digital Solutions Co., Ltd., completed the development of the Commodity Trading and Risk Management System (CTRM) to upgrade the IT system to support business expansion in volumes, trade, management complexities, price risks, and new product trade in the future. It also enhanced the commercial risk control system that is fast and concise to support the International Trading Business Unit's sustainable growth.
- Organized the "Join forces to buy rice from farmers" event for a second year to increase rice selling channels for Thai farmers, alleviating product supply glut, helping farmers to learn and develop a rice management system as well as helping consumers buy low-cost but high-quality rice from farmers directly. There were 768 PTT service stations throughout the country participating in this event.



Join forces to buy rice from farmers

## February

- Began delivering 15 MMCF/D of commercial gas to Amata B. Grimm Power (Rayong 3), which is an SPP customer.
- Signed an energy cooperation agreement with the Electricity Generating Authority of Thailand (EGAT), a milestone collaboration between two Thai state enterprises under the supervision of the Ministry of Energy. The main mission is to forge and sustain power and energy security for the country. It is considered the starting point for Team Thailand for Energy Business to jointly maintain energy security as well as energy business development and energy innovation to develop the national economy and improve the well-being of people.

## March



PTT's commissioning JSC OGCC KazStroyService (KSS) as the contractor of the 5<sup>th</sup> Natural Gas Pipeline Project (Phase 2)



Signed MOU with ONEPP in the preparation of EIA Guidelines for Business Development in AEC

- Launched PTT SPEED PAY for the first time at PTT service station, Ministry of Defense (Bangna-outbound), increasing speed and safety of service, reducing the time for refueling and paying cash by more than 20%.
- Started selling PTT UltraForce Diesel, the first product in Thailand of the Euro 5 standard with a sulfur content of below 10 ppm. It boasts powerful cleaning features and restores the cleanliness of fuel injectors in a short time and reducing emissions of fine particulates (PM 2.5 microns).

## April

- Offered free accident insurance policy privileges from Dhipaya Insurance Public Co., Ltd., to customers with PTT Blue Card members who refuel at PTT service stations under a 30-day coverage period.
- Signed a contract to commission detailed design of Wang Chan Valley development project with a joint-venture company between MAA Consultants Co., Ltd. (MAA), and Asian Engineering Consultants Co., Ltd. (AEC).



## May

- Won approval from Energy Policy Administration Committee (EPAC) to adjust NGV retail prices, effective from May 16, 2018 to May 15, 2019, for public buses from THB 10.00 to THB 10.62 per kilogram, reflecting the increased heat value from 35,947 to 38,500 BTU per kilogram in accordance with the NGV gas quality management plan. This effort helped public vehicles save on gas, increase travelling distance.
- With MDX Public Co., Ltd., signed a memorandum of cooperation for a two-year conceptual study on natural gas services in Gateway Industrial Estate City. This was a model for the development of LNG services for the industrial sector by using truck or the LNG Satellite System (LNG - SAT) for the first time in Thailand. It helped increasing the potential and competitiveness of an industrial estate, including factories located in an industrial estate, through lower costs of fuels.
- Signed a memorandum of cooperation with ETRAN for technical support in the fabrication of electric motorcycle prototypes.
- Signed a memorandum of cooperation in promoting innovation capability with the National Innovation Agency (Public Organization) (NIA) to enhance innovation and extend PTT's research for commercializing.
- Signed a memorandum of cooperation on technology and innovation with nine banks, namely Bangkok Bank, Krung Thai Bank, Bank of Ayudhya, Kasikornthai Bank, Thai Military Bank, Siam Commercial Bank, Thanachart Bank, UOB Bank and Government Savings Bank to jointly promote and drive financial innovation development to improve financial systems.

## June

- Delivered natural gas to SPP customer Amata B. Grimm Power (Rayong 4) Ltd. at 17 MMCF/D and delivering natural gas to industrial customer Sekisui Plastics Co., Ltd. (ESIE), at 0.11 MMCF/D.
- Collaborated with Kasikorn Bank, to develop PTT e-Wallet to boost convenience and enable quick payment for consumers in responding to the Thailand 4.0 National e-payment policy.
- Supported Thai farmers to open a garlic distribution shop at PTT service stations under the project "Join forces to help farmers" to increase distribution channels for agricultural products and accelerate the release of products directly to consumers without the middle man, resulting in better pricing for farmers. A total of 20 tons was sold through this effort.
- Signed a business transfer agreement to transfer assets and liabilities of the former Oil Business Unit as well as the shares of related companies to PTT Oil and Retail Business Plc. (PTTOR). PTT has started the process on July 1, 2018. Under the agreement, some assets related to PTT's Oil Business Unit have not been transferred, including the land transferred by the Fuels Organization, the rights and obligations of PTT for the sale of oil and petroleum products



Signed MOU of cooperation on technology and innovation with 9 banks

- to government agencies of Thailand under the Procurement and Inventory Management Act of 2017, PTT LPG Terminal at Khao Bo Ya and Ban Rong Po), Sriracha Oil Terminal, and court cases related to oil business previously accepted by the court.
- Collaborated with the Office of the National Economic and Social Development Board (NESDB) in establishing Strategic Environmental Assessment (SEA) guidelines.
- Together with "Techsauce Team", organized the Techsauce Global Conference, in which PTT participated in Energy Tech, publicizing it in the startup industry.
- Signed a memorandum of cooperation with Bangkok Industrial Gas Co., Ltd. (BIG), to conduct a feasibility study to apply industrial-gas technologies and patents to create business innovation.
- Signed a memorandum of cooperation with Thai Rung Union Car Plc. to jointly develop electric vehicles.
- Established areas in PTT service stations to become centers of communities and farmers to bring pineapples to sell without charge under a project to join forces to help farmers to alleviate Thai pineapple farmers' concerns over low prices and accelerate direct pineapple delivery to consumers. The total volume sold through this channel was 600 tons.



Signed MOU of cooperation with Krungthep Thanakom Co., Ltd., to focus on business development, energy innovation and digital technology

## July

- Started delivering natural gas to three industrial customers, namely Kasemsak Trading Co., Ltd., at 0.09 MMCF/D, Bangkok Industrial Gas Co., Ltd., at 0.03 MMCF/D and Asian Pacific Can Co., Ltd., at 0.1 MMCF/D.
- Secured approval from the Energy Regulatory Commission (ERC) to collect natural gas delivery service fees. The 2018 commodity charge (Tc) for the offshore pipeline system in Rayong (Area 1), gas pipeline system offshore Khanom (Area 2), and onshore gas pipeline (Area 3) is THB 1.1668 per million BTU. The Tc for the onshore gas pipeline system in Chana (Area 4) is THB 0.1569 per million BTU and the Tc of the onshore gas pipeline system in Nam Phong (Area 5) is THB 0.0000 per million BTU. All are the same service rates as those of previous year. These rates are effective from July 1, 2018, and continue until the new rates and rules come into effect. The service rates are based on the manual for the calculation of natural gas prices and the rates of service fees for natural gas delivery of December 2007, as well as Article 70 of the Energy Industry Act of 2007.

## August

- Signed a memorandum of cooperation with TGI (Thai-German Institute) to establish standards as a key mechanism to drive the industrial transformation of the public sector in Thailand.
- Signed a memorandum of cooperation with Krungthep Thanakom Co., Ltd., to focus on business development, energy innovation and digital technology, creating additional value throughout the business chain and services by using digital and technology as a platform for providing services to develop Bangkok into "Bangkok Smart City".
- Signed a partnership agreement with Mitsui (Mitsui & Co. Thailand), focusing on cooperation in various areas, including the Visualization Center and Linkage to International Robotics and Intelligent Solution Partners to support and serve Thailand Industry 4.0.





HRH Princess Maha Chakri Sirindhorn, on a private visit to EECi

- HRH Princess Maha Chakri Sirindhorn, on a private visit, graciously followed up on the progress of the Wang Chan Valley Development Project for the East Economic Corridor Innovation Zone (EECi) and visited the VISTEC Tower.
- Wang Chan Valley Development Project for EECi was declared under a new town plan as an innovation zone for EEC by the EEC Policy Committee to enable its construction.
- Signed a 96-rai land lease agreement with the National Science and Technology Development Agency (NSTDA) to support the construction of the NSTDA Research and Innovation Center Building (Phase 1).

## September

- Supplied natural gas to SPP customer Gulf Power BL Co., Ltd., at 17 MMCF/D and industrial customer Ratchaburi Glass Industries Ltd., at 1.5 MMCF/D.

## October

- Delivered natural gas to SPP customer Amata B. Grimm Power Rayong 5 at 17 MMCF/D and industrial customer BNP SS Steel Group Co., Ltd., at 0.71 MMCF/D.
- Signed an LNG contract with Bangkok Industrial Gas Co., Ltd. (BIG) for industrial customers outside gas pipeline routes. PTT will start delivering gas in 1Q2019 to replace LPG, fuel oil, and diesel.
- Signed a memorandum of cooperation with SAP to promote and develop “Driving Digital Economy to Enable Thailand 4.0”.

## November

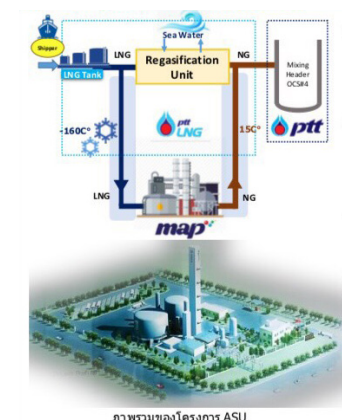
- Delivered delivering natural gas to SPP customer Gulf BP Power Plant at 17 MMCF/D and industrial customer Dairy Plus Company Ltd. at 1 MMCF/D.
- Signed an LNG contract with Tri-Gen Solutions Co., Ltd., for 10 years to promote the use of LNG among industries in areas outside gas pipeline routes of Thailand.
- Cooperated with PTT Digital Solutions Co., Ltd., to develop the Trading Relationship Excellence system (T-REX), an information system used to manage customers, business partners and various departments under the International Trading Business Unit, PTT subsidiaries, and representative offices located in various trading centers of the world to quickly connect information between each other, enabling analysis and responses to the needs of customers in a timely manner and continuously supporting the expansion of the business value of the business unit.
- Co-organized the “ETRAN KRAF” show, a prototype of electric motorcycles produced with the cooperation of PTT and ETRAN, a Thai start-up, at the Motor Expo 2018 in order to further enhance the innovation of electric motorcycles, which are more environmentally friendly.



Signed a joint-venture agreement on the Air Separation Unit (ASU) Project with Bangkok Industrial Gas Co., Ltd. (BIG)

## December

- Delivered natural gas to industrial customer Nisshinbo Somboon Automotive Co., Ltd., at 0.11 MMCF/D and Tsuchiyoshi Somboon Coated Sand Company Limited (OGPS) at 0.15 MMCF/D.
- Signed a joint-venture agreement on the Air Separation Unit (ASU) Project with Bangkok Industrial Gas Co., Ltd. (BIG) which PTT Group and companies hold 51% and BIG holds 49% of the shares. The project uses the remaining cooling energy from LNG to separate and produce industrial gases such as nitrogen, oxygen, and argon to meet increasing demand for industrial usage and medical application. In addition, the nitrogen produced from the project, as enhanced innovation, can maintain the quality of fresh fruit prior to cold storage, making it possible to preserve better quality fruits, increase the value of agricultural products, raise the quality of life for farmers, and respond to government policies to establish the Eastern Fruit Corridor (EFC) as a high-quality central fruit market of high quality fruit in the EEC, and push Thailand to be a world fruit city. The project has a capacity of 450,000 TPA, and is expected to be commercially operational by 2021.
- Signed a memorandum of cooperation with the State Railway of Thailand (SRT) to focus on Smart City development and development of rail transport systems. This cooperation consists of a study and formulation of a plan to develop the area around the Phahonyothin Transport Center at Bang Sue Central Station with energy management and environmental consideration for sustainable development.



โครงการ Air Separation Unit: ASU

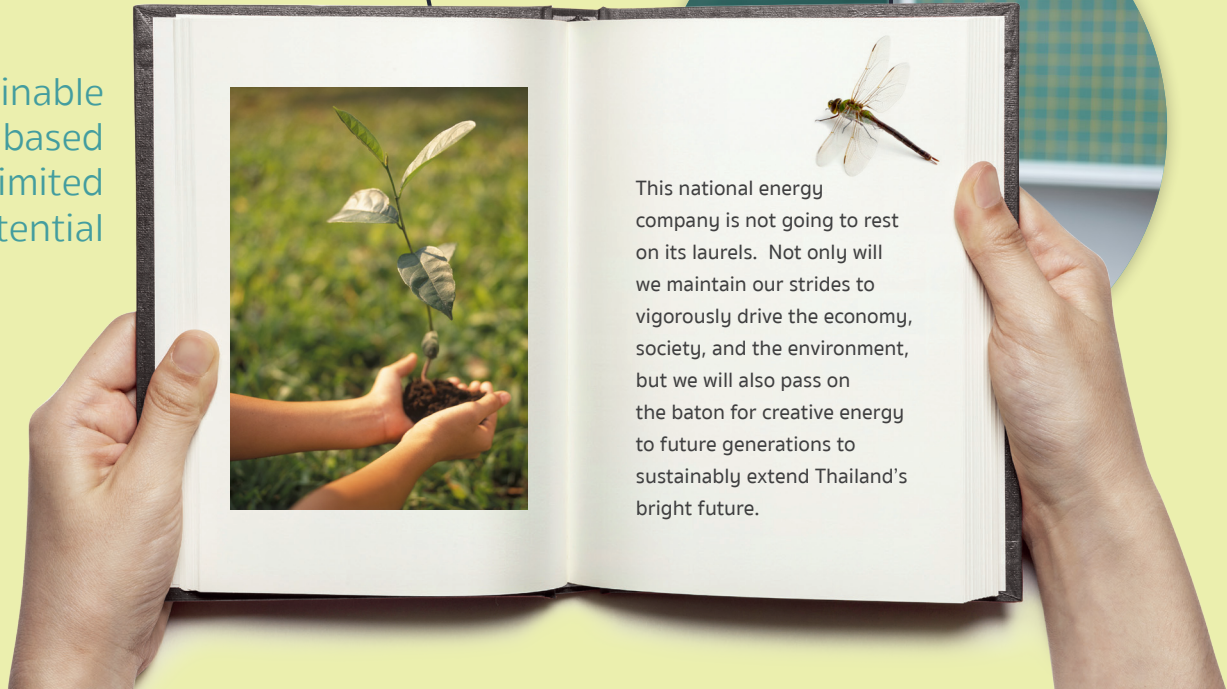


# Extending Thai Energy Mission, Inspiration for Sustainability

Forging progress for communities, society, and the nation as a whole for the past **four decades**, PTT gave its all to the mission of accruing experience while maintaining balanced development work with unceasing **care** for society and the **environment** alike.

  
**OUR Khung Bang Kachao Conservation:**  
Restore green areas as the lung of Bangkok and perimeter.

**Sustainable energy based on unlimited potential**



This national energy company is not going to rest on its laurels. Not only will we maintain our strides to vigorously drive the economy, society, and the environment, but we will also pass on the baton for creative energy to future generations to sustainably extend Thailand's bright future.



**VISTEC:**  
Nurturing thinkers and doers and developing Thailand with science and technology, today VISTEC is a home to 180 master's and doctoral students in four schools.

**Metro Forest Learning Center:** Located on 12 rai is a source of knowledge for forest conservation and reforestation, welcoming an average of 24,000 visitors a year.

**Wang Chan Forest Learning Center:** A learning center for diverse reforestation, winner of an Award of Excellence (Wildlife, Biodiversity, Habitat Enhancement or Creation) from the International Federation of Landscape Architects (IFLA).

**Strong communities**



**Stride a balance of development work through environmental stewardship**

**Supporting farmers:** PTT supports coffee plantation growers who are tribespeople to earn income, become self-reliant, and command a better quality of life by promoting coffee planting and production under a sustainable natural resource conservation system.



**Green**

**Stewardship of forest acreage:**  
Collaborating with nationwide communities and networks, PTT has extended the project to honor HM the late King Bhumibol on his 50<sup>th</sup> accession to the throne by extending the reforestation plot from 1 million to 1,164,638 rai.



**PTT** is committed to drive Thai society toward social quality, promoting the well-being of communities to achieve Sustainable Development Goals (SDGs). With over 40 years of experience, PTT has become a high-performance organization in various areas with the ability to broaden the knowledge boundary to benefit the country and society as a whole. PTT has adopted the Sustainable Development Goals that the world community has established as a framework for operations. The operating strategies of PTT can be divided into two dimensions, namely

**PEOPLE** (Human Resource Development): raise the level of education to provide citizens with the skills needed in the 21<sup>st</sup> century, promote learning innovation, and improve the quality of life of the community and society. Apart from independent operations, the initiative is also carried out through “The Power of Learning Foundation” (PLEARN) that aims to create educational opportunities for young people who are gifted in mathematics and science and the “Power of Innovation Foundation” (PIN) that aims to support education, research and development of technologies that are essential to national development. This is undertaken in conjunction with alleviating social problems and helping the underprivileged through the “Power for Sustainable Future Foundation”.

**PLANET** (promoting the conservation and rehabilitation of natural resources and the environment), raising awareness and cooperation in environmental protection in collaboration with various sectors.

## Development of human resources and creating strong society and communities



### Vidyasirimedhi Institute of Science and Technology and Kamnoetvidya Science Academy

“Developing youth and creating innovation for sustainability”

Science and technology in modern days are the primary factor driving national growth and development. PTT puts a strong emphasis on youth development and the new generation to keep up with new scientific knowledge through the high educational standards found at Kamnoetvidya Science Academy and Vidyasirimedhi Institute of Science and Technology. The two institutions are to originate leading thinkers and innovators based on future scientific technology and innovation for sustainability and national development.



# PEOPLE



**Kamnoetvidya Science Academy:** There were 72 graduating students in the first batch. About 90% of them continued their education to bachelor's degree programs in engineering, medicine, and science.

It additionally collaborated with the Ministry of Science and Technology in organizing Youth Greenovation Awards 2018, a competition for the royal cup bestowed by HRH Princess Maha Chakri Sirindhorn. This provides an opportunity for the youth in junior and senior high schools, vocational high schools or equivalent to express their creative ideas and innovations that are friendly to the environment and can be practically applied. The winning teams this year included:



**Vidyasirimedhi Institute of Science and Technology (VISTEC):** There were 13 master's degree students in the first batch that graduated in 2017 and received their degrees from HRH Princess Maha Chakri Sirindhorn on August 22<sup>nd</sup>, 2017. This was the ultimate pride for students and the institution. Currently there are 180 students, ranging from master's to doctoral programs, in four schools, namely the School of Molecular Science and Engineering, School of Energy Science and Engineering, School of Biomolecular Science and Engineering, and School of Information Science and Technology.

#### Junior high school

School name: Prachak Silapak School, Udon Thani

Project: Vacuum non-electricity

#### Senior high school

School name: Princess Chulabhorn Science High School, Pathum Thani

Project: Molding method development and study of human osteoblast cells and formation of bone substitute materials: hydroxyl apatite/gelatin/collagen hydrolysate that cross-linked with phenolic compounds from Thai neem.

#### Vocational high school

School name: Map Ta Phut Technical College

Project: The bricks from waste in the production process.



The institution has signed a "University-Industry Research Collaboration" agreement with PTT Group to enhance co-research and work development, adding further momentum to research outcomes for concrete application. One outstanding project is the research entitled "Technological development of energy storage on a lithium-ion battery" with a research fund from the Energy Policy and Planning Office (EPPO). This project creates an innovative lithium-ion battery with high performance, storing over 2,200 mAh/Cell, and can be used in small-sized vehicles such as Thailand's Tuk Tuks. This significantly contributed to the construction of a lithium-ion battery prototype plant on the compound of VISTEC for further commercial E-Tuk Tuks.



PTT Public Company Limited has supported research projects such as Robotics, AI, and Intelligent Solution to advance the Exoskeleton system prototype of equipment support for patients with impaired limb areas, covering the hips down to the ankles, knees, thighs, and legs. This includes the prototype development of Smart Living equipment, powered by artificial intelligence. With the help of this intelligent robotic system, this project is expected to improve the quality of life for people, paralysis patients, and people with disability.

In addition, PTT has formed a collaborative network with leading organizations to support several key research projects; for example, Kasikorn Bank funded a research project entitled "Value creation for organic waste." The results from this project have been productively utilized in Ban Maha Pho community, Amphoe Mueang, Nan.

Siam Commercial Bank has supported the establishment of an operational laboratory for cooperation between physicians and engineers, located at the Faculty of Medicine, Siriraj Hospital. This project develops artificial intelligence for practical uses under a research project called Neurocognitive Disorders and Neural Computing (NN Laboratory) to increase patients' access to treatment.



## The 21<sup>st</sup> Century Schools

"Skills Development for Thai Youth, Marching to the Future"

PTT values education that aims to improve learners to be fully equipped with the required 21<sup>st</sup> century skills. It has signed a cooperative agreement called "Schools for the 21<sup>st</sup> Century by PTT" with the Primary Educational Service Area Office 1, Rayong, and Lam Plai Mat Wittaya School, Tambon Lam Phai Mat, Buri Ram. This five-year project (2016 - 2020) intends to develop a school or classroom prototype at Wat Noen Krapok School, Tambon Ban Chang, Rayong, and Wat Ta Kwoun School, Amphoe Mueang, Rayong.

Schools for the 21<sup>st</sup> Century initiated by PTT Group have an ultimate goal to "Nurture Teachers" emphasizing a new learning approach that goes along with global dynamism via Problem-Based Learning (PBL) and Professional Learning Community (PLC). This covers 1. learning management system; 2. activities to promote learners; 3. system/management leadership; 4. teacher development system using PLC; 5. the system to assist students; 6. the atmosphere and learning system; 7. the system to work with the family and communities; 8. an operating and sharing system with the network; and 9. information management system.





## Pracharath School Project

PTT Group supports the Sarn Palang Pracharath Project in basic education and human capital development (E5) by participating in the initiation and establishment of the Leadership Program for Sustainable Education or CONNEXT ED, in collaboration with 12 leading private companies in the country. The project is one of the key mechanisms for developing and building a new generation of network leaders that is involved in the development and upgrading of Thai education in a sustainable manner.

In addition, 24 employees in the PTT Group volunteers to develop the potential of teachers (School Partner) for 82 public schools throughout Thailand. Since 2017, the PTT Group, together with Kamnoetvidya Science School, has organized new curriculums in Science, Math, Technology (STEM: Science Technology Engineering and Mathematics) and English language for over 300 teachers to increase their knowledge and develop the management of teaching and learning processes for teachers to enable them to be able to continue to develop the potential of the youth of the country.

## Clean energy, power to the community

“Build strong and self-reliant energy for communities”

The diversity of Thai terrain and ecology has given an advantage to the country to choose renewable energy as a clean source of energy without causing environmental impacts, such as wind power, solar power, and biogas. PTT has applied knowledge and expertise in engineering and energy to promote opportunities to access sustainable clean energy for communities by taking into consideration area appropriateness to solve problems, improve the quality of life, generate revenue, and reduce energy expenditure through communities' participation under the formulation of project design, training on management skills, and dissemination of knowledge so that the community can manage their own resources and systems by themselves. PTT has currently carried out various clean energy projects as follows:

# GREEN ENERGY



## Hydraulic Ram Pump

This project aims to solve the problem of water shortages in high-land community areas. PTT joined hands with Khanoon Kli Village, Tambon Tha Khanoon, Kanchanaburi (along the Thailand-Myanmar western natural gas pipeline corridor), to explore the terrain in order to design and develop a hydraulic ram pump system. The system does not need fuel or electricity to work; instead it relies on energy from water flow whose speed is high but with a low pressure. It can bring water up to high altitudes. This project successfully solved water shortages for 17 communities, and the results could be extended to other areas nationwide. With the ability to access more than 54,600 per year cubic meters of clean water, it is not only benefiting households but also preventing forest fires.

PTT is determined to continuously develop the hydraulic ram pump and enhance its capacity to deliver water to high areas of up to 350 meters for distances as great as 2,300 meters. It plans to further investigate this project in other areas where water access remains problematic, along with further capacity development of the PTT Hydraulic Ram Pump and additional value creation.



## Biogas System from Pig Farm Project

This project can mitigate smell disturbances and transform waste from pig farms to biogas to use within the community instead of LPG and wood-fired materials. This knowledge contributed to carbon credit trading with the help of the T-VER program to further generate income for communities. In 2018, PTT enhanced productivity in Tambon Tha Manao, Lop Buri; Tambon Kham Khaen, Khon Kaen; and Tambon San Sai, Chiang Mai. These projects benefited 610 households, generating more revenue, reducing expenditure for communities of around THB 3,745,786, and decreasing CO<sub>2</sub> emissions by to 5,013 tons of CO<sub>2</sub> equivalent per year.



## Nature and Environment for Long Life

# PLANET

### PTT Reforestation Institute

PTT Reforestation Institute, in collaboration with communities and networks across the country, conducted the reforestation project to honor HM the late King Bhumibol on the occasion of his 50<sup>th</sup> anniversary of his accession to the throne, currently covering 1,164,638 Rai. In 2018, the company joined hands with the Faculty of Forestry, Kasetsart University, and summarized the research outcomes of this project, implemented from 1994 to 2016. It was found that the average carbon dioxide absorbed was around 2.18 million tons or an income equivalent of THB 280 million per year. In the future, this forest network for development will be expanded to generate more income for households and communities, paving the way toward community enterprises.

In addition, PTT puts a strong emphasis on the needs for reforestation and cultivation of knowledge for the public by encouraging them to learn from PTT's learning centers which include:



### Wang Chan Forest Learning Center

Located in 351.35 Rai in Tambon Pa Yup Nai, Amphoe Wang Chan, Rayong, it is a learning center for diverse reforestation and conservation of local vegetation, water management, including biodiversity preservation. The center is also used for recreation by the public, with average visitors of 45,000 each year. In addition, it is a location for forest-planting pilot projects, which is in line with Thailand-Voluntary Emission and Reduction (T-VER), forestry category. In 2018, it was registered with the Greenhouse Gas Management Organization, with the ability to save 763 tons of carbon dioxide equivalent. It won an Award of Excellence (Wildlife, Biodiversity, Habitat Enhancement or Creation) from the International Federation of Landscape Architects (IFLA), based on the space planning concept and utility of land areas with the least adverse impact on nature.

Additionally, PTT has implemented a project named "Wang-Chan all love, sharing vegetables" in order to strengthen food security at the community level, improve the quality of life, and encourage villagers to plant vegetables for private consumption to reduce household expenditure. The products from this project are named "Wang Chan Vegetables". HRH Princess Maha Chakri Sirindhorn graciously provided seeds while visiting the villagers to follow up on the progress of this project. It is considered a successful step of work that linked the communities and the center together through knowledge dissemination, experience, and participation. This has inspired the communities to take good care for the forest and ecology in a sustainable manner.



### Metro Forest Learning Center

Located in 12 Rai on Sukhaphiban 2 Road, this is considered as a source of knowledge concerning forest conservation and reforestation. It is a place for recreation, in Bangkok, suitable for conservation workshops and environmental activities. This center attracts around 24,000 visitors per year.





## Sirinath Rajini Mangrove Ecosystem Learning Center

Located at Tambon Paknam Pran, Amphoe Pran Buri, Prachuap Khiri Khan, the abandoned 387-Rai shrimp farm was successfully restored and transformed into a national and regional mangrove ecology learning center and the prototype shrimp farm restoration project under a fertile mangrove forest in collaboration with the communities and government agencies. In 2018, the center welcomed about 50,000 visitors, generating income for communities from tourism and commercial aquatic activities. Besides, PTT joined hands with the Natural Resources and Environmental Protection Volunteer Network (NEV-Net), consisting of the Ban Khlong Kao mangrove conservation group, Pak Nam Pran fishermen's group, and Sirinath Rajini Mangrove Ecosystem Learning Center, to integrate development work in these areas. It was then selected as an outstanding network for both provincial and regional levels, the third at the national level, by the Department of Environmental Quality Promotion, Ministry of Natural Resources and Environment.



## The 100,000,000<sup>th</sup> Pradu Tree (Burma Padauk)

King's charisma, Burman Padauk expansion, peaceful citizens

Plantation block FPT 49, located at Amphoe Pak Thong Chai, Nakhon Ratchasima, is the largest reforestation project operated by PTT. This project was graced by HM King Maha Vajiralongkorn Bodindradebayavarangkun (HRH Crown Prince Maha Vajiralongkorn then) as a royal representative of HM the late King Bhumibol Adulyadej, who planted "The 100,000,000<sup>th</sup> Burma Padauk" under the reforestation project to honor HM King Bhumibol Adulyadej on July 14<sup>th</sup>, 1997. This forest became a symbol for the hearts and souls of Thais for reforestation in all areas, transforming over 26,000 Rai of degraded forest into fertile land, and was annexed as part of the Phu Luang Wildlife Reserve.

FPT 49 is situated in the midst of several global areas according to the conservation category of UNESCO, such as Sakaerat Biosphere Reserve, Dong Phrayayen - Khao Yai World Heritage Site, and Korat Geopark. With historical attractions, natural fertility of the forest, wildlife, and biological diversity, along with tourism potential, PTT in collaboration with all related sectors is determined to develop this forest area as a core linkage to the conservation of natural resources, using sustainable development modality to benefit the economy, society, and the environment.

## Forest Protection by Citizen Volunteer Project

PTT in collaboration with the Department of National Parks, Wildlife and Plant Conservation implemented the forest protection by citizen volunteer project under the guidance of HM Queen Sirikit of the reign of King Rama 9. This project provided training to local people residing in PTT's reforestation plots. Since its establishment in 1997, there have been 169 batches, or 19,752 volunteers, who successfully passed the training, covering 135 sub-districts from 44 provinces nationwide. The project has welcomed active participation from all volunteers, which boosted understanding and generated a stronger network for restoration and conservation of abundant forests together with reforestation.



## Vetiver Network

Initiated to prevent landslides, PTT joined forces with Chaipattana Foundation, Office of the Royal Development Projects Board (ORDPB), and Land Development Department to drive this collaborative network by taking a lead as a coordinator to promote knowledge management, develop the caliber of the network for self-reliance, and add momentum to the widened vetiver people network, which paved the way to self-management, exchange of knowledge on soil and water preservation, and development of vetiver products. There are currently around 10,000 vetiver members, generating income and reducing expenses from vetiver by more than THB 3.3 million per year.





## Promoting natural resource and environmental conservation network

The primary factors to achieve the conservation of natural resources are active cooperation and efforts from the public sector, private agencies, and civil participation, as well as an inclusive vision to ensure that the overall procedures are carried out on a regular basis and responsive to the needs of projects and tasks. This enables community networks of natural resources to mutually achieve the goal of conservation more sustainably.



### Green Globe Institute

This institute is operated under the authority of a panel with guidelines and directions for operation, including the development of knowledge and consideration of awards to honor those natural resource achievers. PTT is part of the main contributors to the operation of this project.

For over 20 years the institute has reserved more than 2.13 million Rai of forest covering community, people, and youth networks nationwide in six regions, resulting in the expansion of research and knowledge development. Details are as follows:

**Development of Knowledge:** PTT has conducted environmental research and studies of over 24 projects, as well as 19 local research studies. Significant outcomes can be further utilized and expanded, such as joint research on planting rubber, waste management, and the development of local courses on environmental studies. This includes research on the maintenance of culture and tradition, including Kui cultural studies, Khalam wood studies, forest fire investigations (a case study of the Khuan Khreng wetlands), along with the knowledge for disaster preparation, for instance, the use of radio communication in disasters, and others.

**Network Development:** This move is undertaken through the practical training required to safeguard adverse impacts from disasters, adaptation techniques on environmental effects for communities so that they can rely on themselves and optimize the use of national resources more sustainably, along with the restoration of ecosystems, forest, soil, and water.

One successful example is the training on “The Roles of Landscape, Natural Resources Management, and Land Utilization: The Natural Landscape (Case Study of Tambon Chumrak, Amphoe Mueang Trat, Trat Province) in collaboration with Trat Municipal City and Chumrak Natural Resources Conservation Group, Tambon Chumrak, Amphoe Mueang Trat, Trat. This training allowed communities to see the pros and cons in the areas which need to be improved, leading to landscape development for restoration and conservation, especially in the management of resources, lifestyles, and in-depth research investigation. This covers five work plans:

1. The construction of small dams (weirs) in the village's canals to slow the water flow, thus retaining water for agricultural activities.
2. Planting near the waterfront in order to maintain the soil surface from collapsing, creating more biodiversity, and serving as routes for living organisms.
3. Forest fire management for water resource control and fire prevention strips through the dissemination of knowledge to the villagers and minimize the impacts of forest fires, as in neighboring countries such as Cambodia.
4. The promotion of eco-tourism and historical attractions to boost the local tourism industry, such as the tour of seasonal fruit in orchards, development of the youth in local areas as guides to local historical places, and cruising on the river or canal to see abundant mangrove forest areas.
5. Research on aquatic plants by the youth, covering data collection for the development of a database for future area development.

## OUR Khung Bang Kachao Project

### Integration for sustainability

The project is the cooperation between the government, private sector, education sector, civil society and communities, including 34 organizations, 6 communities in the Khung Bang Kachao area, under the 5-year roadmap to create environmentally-friendly and 20 percent of sustainable economic and social growth (Green Growth) by using knowledge and expertise, including innovation and technology, from each organization to integrate solutions and develop with maximum efficiency. The program focuses on development in 6 aspects as follows:



1. **The development of green areas** led by PTT Public Company Limited, with a focus on the restoration and maintenance of 6,000 rai of green space within 5 years. In 2018, the goal was set at 4,000 rai, in collaboration with the Green Area Conservation Network in all 6 districts of Khung Bang Kachao, which is located in the royal property area under the responsibility of the Royal Forest Department. This not only helps create a good environment, but is also an extension of tourism development, as well as generating income for the communities in the Khung Bang Kachao area.
2. **Water management and river bank erosion management** led by the Utokapat Foundation under his Royal patronage aimed to balance between conservation and development of stability and sustainability of water resources, which leads to the stability of the green areas in Khung Bang Kachao. Through creating an example of a successful development program, the efforts will be expanded to cover all areas and will utilize the application of science and technology, together with local wisdom. A detailed database system will be developed and used to manage the area development and management of crisis, including destemming the water waterways, and sustainable canal and water restoration.
3. **Waste management**, led by PTT Global Chemical Public Company Limited, aims to reduce waste according to the Circular Economy approach. By recycling waste to be processed and turned into a product for added value, beginning with the development of Jaak Dang Temple, the pilot area, into a learning center for the community regarding waste management.
4. **Career promotion**, led by the Central Group Limited, aiming to promote the development of local product quality, emphasizing uniqueness or creating individual brands and brand recognition through the development of agricultural products to reach new GDP standards. The program aims to support the establishment of a central market to promote identity within the community, increase online marketing channels, including promoting organic agriculture tourism.



**5. Tourism,** led by the Designated Areas for Sustainable Tourism Administration, focuses on systematic community-based tourism management towards sustainable tourism development goals through the process of collaboration in a civil state to use tourism as a tool for improving the quality of life, well-being, and creating happiness for people in the community and its visitors.

**6. Youth development and education,** led by Thai Beverage Public Company Limited, focuses on systematically inheriting culture and traditions by the new generation through the creation of community learning resources that gathers historical data regarding community identity and history to cultivate the guidelines for the development of the OUR Khung Bang Kachao project in all aspects in order to preserve the identity of the Khung Bang Kachao community for the latter generations. This includes cultivating love and pride in the community, as well as preserving and restoring the traditional culture.

In this regard, the six operational frameworks will be integrated into the system in order to systematically develop the rea. The development process that takes place under the OUR Khung Bang Kachao project will be able to contribute to improving the quality of life, which will result in the sustainable growth of the community and area according to the target. This can be a model for sustainable community development coexisting with green areas.



### Waste Energy turned “Flower Gmmarden of Magic”

PTT focuses on creating value for waste energy by applying the cold energy that is a by-product from the process of transforming LNG from liquid into gas to be used to create coolness for a winter greenery planting house. The project also uses carbon dioxide from natural gas separation to accelerate plant growth. It is the integration of knowledge between government organizations, the private sector, and educational institutions, resulting in agricultural innovation, with the aim of creating economic prosperity for the country.

The Rayong Gas Separation Plant initiated the “Cooling and Carbon Dioxide Project in the research of winter greenery according to the Royal Initiative Project” to creatively create value from cooling energy and carbon dioxide. Therefore, the “Research Project on the Use of Cooling Energy” contributes to the creation of new knowledge to develop and extend innovation, creating opportunities and increasing productivity for industrial and agricultural sectors. This has resulted in various products such as flowers, various winter plant species, and Harumiki strawberries, a variety from Japan available now in Siam Paragon and Emporium department stores.

In addition, together with Rayong Province, the “Wonders of Winter Plant, Tulips in Bloom in Rayong” event has been organized at the Her Royal Highness Princess Maha Chakri Sirindhorn herb garden in Map Kha Subdistrict, Nikhom Phatthana District, Rayong Province, to show the potential of PTT Gas Separation Plant in using the waste resource to create knowledge, stability, wealth and sustainability for Thailand and the Thai people. This initiative can generate income for the community and the revenue has been donated to important places in Rayong as follows:

### “Charoensukmongkoljit: Happy and Healthy Bike Lane”

The cycling lane received its title from King Rama IX and is located at Suvarnabhumi Airport, Bang Phli District, Samut Prakan Province, to encourage citizens to realize the importance of exercise and health care by cycling among nature and the wonderful open air environment.

The Happy and Healthy Bike Lane spans a total distance of 23.5 kilometers, consisting of a blue main bike lane for general riders, purple lane for experienced riders, and shorter tracks for children. PTT cooperates with network partners such as Airports of Thailand Public Company Limited and Siam Commercial Bank Public Company Limited to create a children's bicycle track or GODJI LANE to cultivate and raise awareness of the importance of reducing the use of vehicles using fossil fuels, as well as encouraging the youth to love exercise. PTT also opened a Cafe Amazon for Chance, operated by the elderly. This is aimed to create career opportunities for the elderly to provide quality jobs, promoting self-value and self-esteem.

In addition, there are various facilities, including a parking lot, emergency medical center, bicycle shop, rental service, and restaurants to support the needs of cyclists and the general public.



#### 2015

- 9,186,471 baht of generated income for the community from participating in trade fairs selling products
- 2,650,000 baht of revenue from tickets donated to Wang Chan Hospital, Rayong Province

#### 2016

- 10,588,4452 baht of generated income for the community from participating in trade fairs selling products
- 4,621,981 baht of revenue from tickets donated to Baan Chang Hospital, Rayong Province

#### 2018

- 11,424,168 baht of generated income for the community from participating in trade fairs selling products
- 3,091,738 baht of revenue from tickets donated to Public Health Service Center, Map Ta Phut Municipality,





## “Sarn Palung” Social Enterprise moving forward and leaving no one behind

The establishment of Sarn Palung Social Enterprise Company Ltd. (SPSE) is to support the execution of social enterprises of PTT Group. SPSE aims at conducting businesses to solve social and environmental issues and promoting local employment in communities on the basis of efficiency and sustainability. In addition, such establishment supports public policy that encourages the private sector and state enterprises to participate in grooming and incubating social enterprises in Thailand. The following pieces describe the pilot projects under SPSE, implemented since 2018:



### Café Amazon for Chance

career development for hearing-impaired people into “baristas”

This project intends to create opportunities for hearing-impaired persons as baristas via career development under the project of Café Amazon for Chance. They need are to pass the barista training courses offered by Amazon Inspiring Campus (AICA) under the management of Café Amazon Business Department, PTT Oil and Retail Business Public Company Limited (PTTOR), and are interned at Café Amazon for Chance at the Office of the President, Mahidol University, Salaya, Nakhon Pathom, before entering the actual work environment. Currently, there are 12 members under this project, and they can generate additional income per person of up to 50%, which is a promotion of employment opportunities for disabled persons so that they may have a permanent job, pride, and equality in society. Presently, Café Amazon for Chance has four operations:

1. Office of the President, Mahidol University, Salaya, Nakhon Pathom, since June 11, 2018.
2. Faculty of Environment and Resource Studies, Mahidol University, Salaya, Phuttamonthon, Nakhon Pathom, since August 4, 2018.
3. Arts Gallery at Ban Chao Phraya, Phra Athit Road, Phra Nakhon, Bangkok, since October 1, 2018.
4. Sky Lane Bicycle Track at Suvarnabhumi, Bang Phli, Samut Prakan, since December 1, 2018.

## Community Coffee Sourcing Project

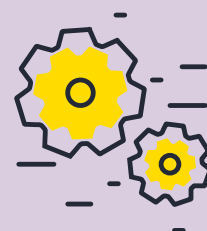
This project targets a group of coffee plantation growers to have sale channels with greater income and well-being, based on the system of a fair price, promotion, and support for farmers along with sustainable conservation of natural resources. This involves civil participation to develop themselves, society, and the environment in a community in order to grow hand in hand with one another. This project includes the purchase of coffee beans, designed to optimize coffee bean processing which in line with the Café Amazon standards together with the cost management for plantation, efficient processing of coffee, development of wastewater from coffee bean processing, and support to grow shady trees apart from coffee trees. In 2017, the project covered two communities: Pang Khon coffee-community enterprise and Akha coffee-community enterprise, Tambon Huai Chomphu, Amphoe Mueang, Chiang Rai. In 2018, it was expanded to cover eight communities: Ban Huai Yuak Pa So, Ban Huai Mak, Ban Sam Sung, and Ban Arto, Tambon Mae Salong, Amphoe Mae Fah Luang, Chiang Rai. This contains the Yot Doi Pang Khon coffee-community enterprise and Pang Khon coffee farm in Huai Chom Phu, Amphoe Mueang, Chiang Rai. This year, each member had a 10% increase in revenue. A part of income from this project will be contributed to the professional career development fund that aims to promote the quality of life for farmers and coffee growers in Thailand.





# Innovation for a Sustainable Future

PTT is fully committed to relentlessly promoting and supporting the corporate value of innovation, creating an inspirational atmosphere of creativity and innovation for the entire organization and workforce. Employees are provided with opportunities through various channels to submit their creative and innovative ideas to compete in the annual PTT Innovation Award for rewards, inspirational recognition, and acceptance as role models. Public relations activities and media are continuously broadcasted to disseminate employee's innovative works and sharing knowledge with PTT's internal and external communities. The knowledge sharing is actively done through numerous channels, such as exhibitions of outstanding innovations at the PTT We Can Corner, publication of innovation articles in the monthly magazine "PTT Spirit", communication activities via PTT What's News, E-mail and posters. In 2018, PTT organized its annual PTT Group Innovation Awards to provide a forum for employees of all six flagship business units to share knowledge and direct experience on innovation development with all employees to follow their leads by taking current knowledge and skills to create more substantial value. The event also provides opportunity for all business units within PTT to jointly cooperate for development of new innovations.



# INNOVATION

PTT Group Innovation Awards 2018



Under the disruptive technology trend, PTT has actively transformed to cope with changes by integration of D (Digitalization) into the SPIRIT, enhancing corporate value intensity and readiness to cope with digital transformation and drive PTT toward sustainability. PTT has founded a new organizational unit of Technology and Engineering on January 1, 2018, with a commitment to drive technology and digitalization, engineering and property development activities to support businesses of PTT on development of the New Business S-Curve for corporate domestic and international growth. A series of work activities of PTT have been transformed to meet the challenges of disruptive innovation, as follow.



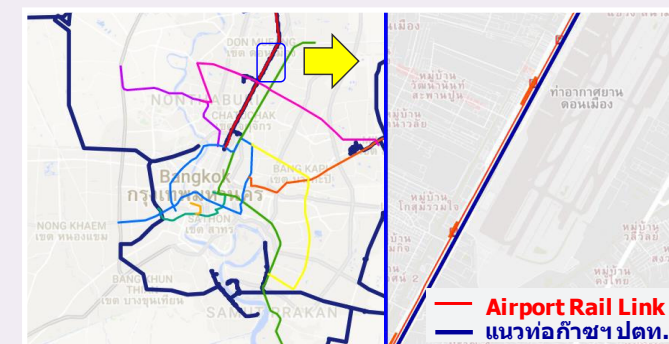
## EV Charger

Joint development of a payment system via QR Code with Bank of Ayudhya Public Company Limited. The system, tested and installed at Energy Complex, is fully integrated with EV Charger.



## Smart Energy Platform

Jointly developed with Sertis Company Limited, PTT's Expresso team successfully launched the Smart Energy Platform with Blockchain technology to support energy management of Energy Complex, pioneering a model of future Smart City development by PTT Group.



## Smart i-Map

Development of the infrastructure and environment database system covering areas adjacent to PTT pipelines, provides digital data to enhance operational work activities of the PTT pipeline projects.





Outstanding innovation projects originated and developed by the creativity of PTT staff creating value for the organization and stakeholders and winning awards from external institutions, are as follows.

## Operational Innovations:

### The Soothsayer

The Soothsayer is a software innovation designed to help predicting operational losses and malfunctioning of equipment and machinery in the processes of the gas separation plants in Rayong 1-3 months in advance. The innovation was developed under the technologies of Big Data and Machine Learning, providing analysis to minimize unplanned shutdown of the gas separation plants and enough time for possible losses' preparation. The innovation helps save some THB 450 million for each financial and opportunity loss.



Outstanding State Enterprise Award 2018  
from the State Enterprise Policy Office



The Soothsayer



Outstanding Innovation  
awards at State-Owned  
Enterprise Awards 2018



The Asset Corporate  
Award 2018 on Best  
Initiatives Category

## Operational Innovations for Society

### IoT for Pipeline Maintenance Work

To minimize risk from corroding of gas pipelines and risk from human errors on pipeline inspection, an innovation called IoT for Pipeline Maintenance Work was developed and applied for the inspection of more than 2,000 kilometers of pipelines operated by PTT nationwide. The new system focuses on the inspection efficiency of the cathodic protection system, a pipeline protective system for outer surface corrosion. Initiated jointly with AIS, the ingenious innovation provides maximum accuracy and most reliable handheld data transmitted via internet-based communication technology, replacing physical ground surveys by workers. In addition to reduction of risks borne by human error from ground surveys, the operation can reduce more than 8,000 man-hour physical activities, saving more than THB 12 million each year.



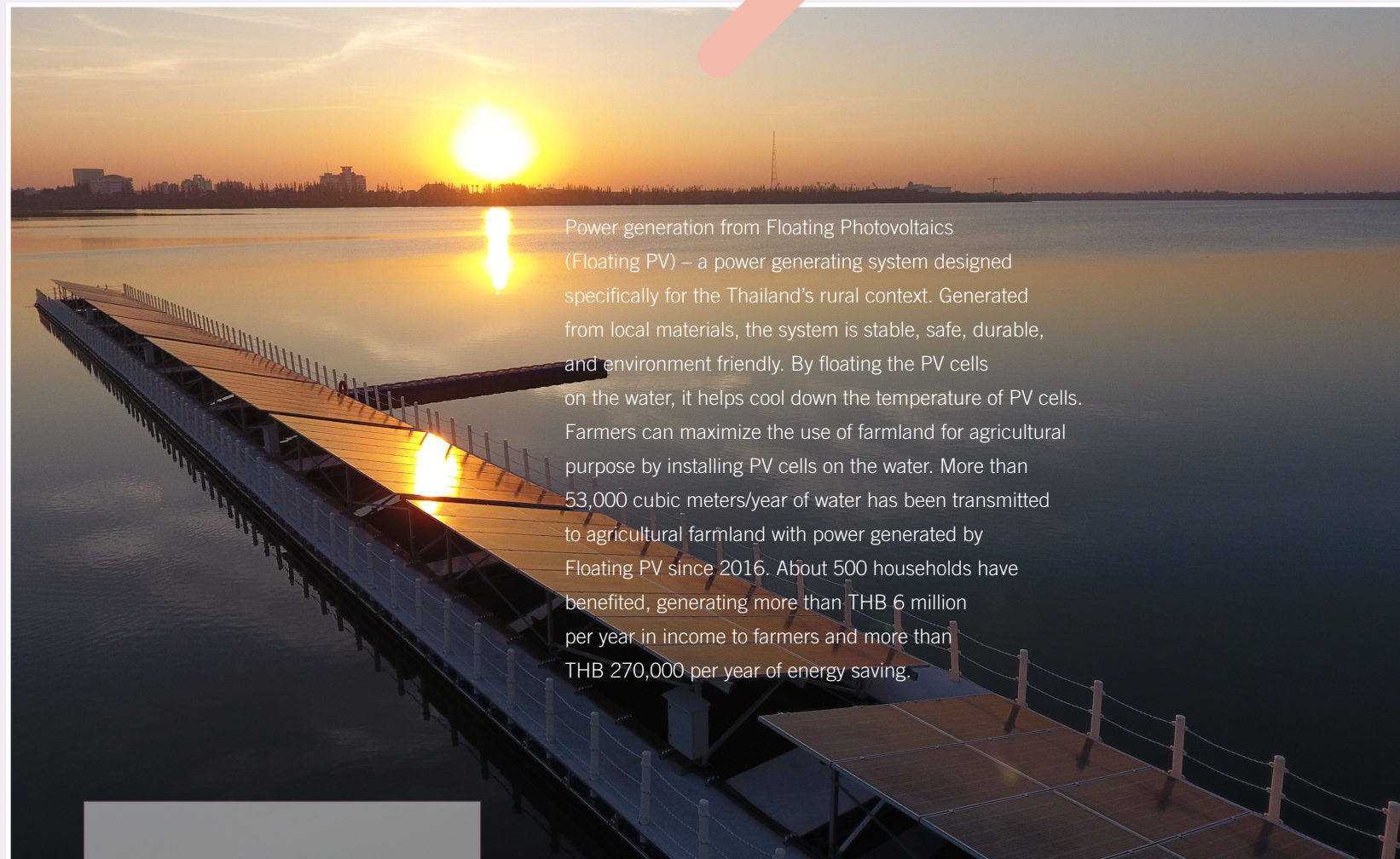
Second runner-up  
award, Economic  
Category, National  
Innovation Award 2018  
from the National  
Innovation Agency.

# CREATIVITY



## Sustainable Energy Innovation for Community

### Power generation from Floating Photovoltaics (Floating PV)



Power generation from Floating Photovoltaics (Floating PV) – a power generating system designed specifically for the Thailand's rural context. Generated from local materials, the system is stable, safe, durable, and environment friendly. By floating the PV cells on the water, it helps cool down the temperature of PV cells. Farmers can maximize the use of farmland for agricultural purpose by installing PV cells on the water. More than 53,000 cubic meters/year of water has been transmitted to agricultural farmland with power generated by Floating PV since 2016. About 500 households have benefited, generating more than THB 6 million per year in income to farmers and more than THB 270,000 per year of energy saving.

Agricultural areas installed with Floating Photovoltaics



Outstanding State  
Enterprise Award 2018 on  
Social and Environmental  
Innovation.

# SMART ENERGY

## Social and Environmental Innovation

### Soil slope integrity enhancement with vetiver in bamboo tubes



Vetiver grass implant in bamboo tubes.

Soil slope integrity enhancement with vetiver in bamboo tubes – the innovation was developed under the principle of soil bio-engineering and botanical integration. The engineering innovation enhances soil slope integrity by preventing of soil surface erosion and landslides along PTT pipeline routes in mountainous areas. Since Vetiver usually takes 3 - 6 months to root itself strongly with parental soil, bamboo tubes, with implanted vetiver, were piled into the earth along protective areas to enhancing the integrity of the soil slope while the vetiver implanted in bamboo holes becomes deeply rooted with the surrounding soil, enhancing the integrity of soil and leading to reduction of soil erosion. This technique has been subsequently adopted by other government agencies, such as the Department of Highways, for road construction.



PTT has long been striving to promote technology and innovation, making it internationally and domestically recognized as one of the world's most innovative companies. PTT's leadership in innovation is evidenced in countless state-of-the-art projects and top-notch awards. These achievements have contributed to making PTT not only a global leader in energy solutions but also the treasure and pride of the nation.





## Financial Status and Performance

### Performance of PTT and subsidiaries

Unit: THB Million

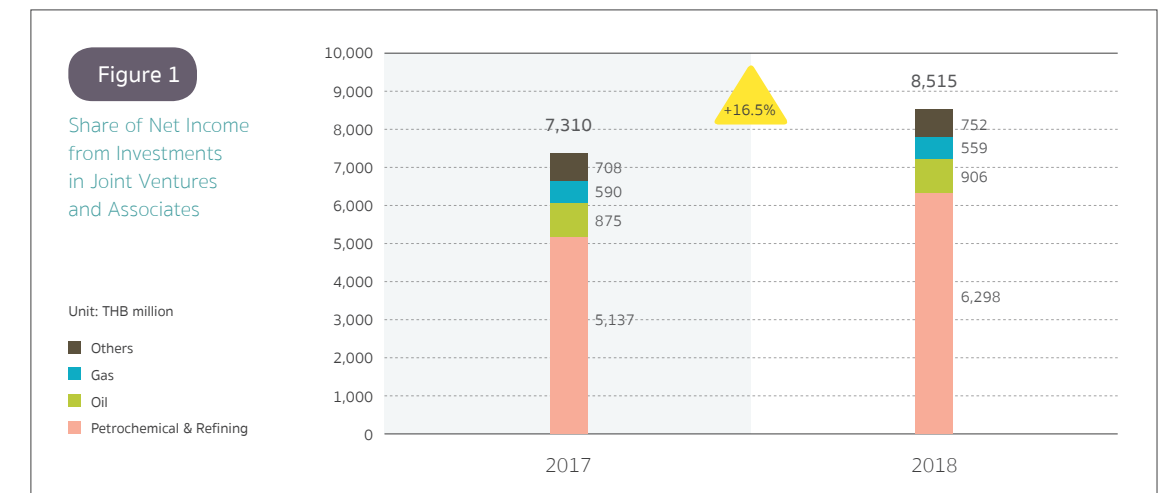
	Y2017	Y2018	% Increase/ (Decrease) (%)
Sales revenues	1,995,722	2,336,155	17.1%
Earnings before interests, income tax, depreciation and amortization (EBITDA)	345,396	351,397	1.7%
Operating Income	229,106	227,840	(0.6%)
Share of net income (loss) from investments in joint ventures and associates	7,310	8,515	16.5%
Gain (loss) on foreign exchange	13,650	6,354	(53.5%)
Income taxes	28,306	53,647	89.5%
Net income	135,180	119,684	(11.5%)

PTT and its subsidiaries recorded 2018 sales revenue of THB 2,336,155 million, 17.1% increased or by THB 340,433 million in all business groups compared with last year. It resulted from the increase in average product selling prices of most petroleum and petrochemical products following the rise of Dubai crude oil price. The average Dubai price increased 30.53% from USD 53.2 per barrel to USD 69.4 per barrel. PTT and its subsidiaries had EBITDA of THB 351,396 million in 2018, an increase of THB 6,001 million or 1.7% mainly from exploration and production business following higher average selling prices and sales volume. Moreover, better performance of gas business group in almost all business areas except NGV, especially GSP, Natural Gas Sales and Marketing (S&M) according to Small Power Producer (SPP) customers together with higher selling prices following crude oil price and Transmission Pipeline (TM) from power producer customers. Moreover, PTT's Gas affiliates also reported better performance, the PTTLNG from its revenue recognition of LNG Terminal 1 Phase 2 in 2018 and the PTTNGD also had higher average gas selling prices; whereas, overall performance of petrochemical and refining business decreased mainly from net stock loss in the accounting GIM following the sharp fall of crude oil prices in 4Q2018 versus stock gain in 2017. The olefins and aromatics petrochemical business performance was down from

the lower petrochemical spreads during the period around the net of 2018 over the concern of the slowdown in world economy from the impact of the unresolved United States and China trade war, products demand decreased on the back of fluctuations in raw material prices as well as inventories reduction during year end. Despite the increasing in production and sales volume, the higher utilization rate in 2018 versus 2017 led to the volume increase; GC's startup of LLDPE#2 in 2018 versus maintenance shutdown of both aromatics and olefins plants in 2017, IRPC's major turnaround in 2017. Likewise, performance of oil business with regard to stock loss in 2018 versus 2017 stock gain.

PTT and its subsidiaries recorded depreciation and amortization expenses of THB 123,495 million, an increase of THB 7,206 million or 6.2% from THB 116,289 million in 2017 according PTTEP's acquisition of participating interest in Bongkot gas field and IRPC project completion.

In 2018, share of net income from investments in joint ventures and associates was THB 8,515 million, increasing by THB 1,205 million or 16.5% from THB 7,310 million in 2017 mainly from the performance of PTTAC and NatureWorks LLC which are joint venture of GC following the rise in average product selling prices.





There was gain on foreign exchange, decreasing by THB THB 7,296 million from THB 13,650 million in 2017 to THB 6,354 million in 2018. This resulted mainly from the decrease in unrealized gain on foreign exchange rate from foreign currency loans of PTT, TOP and GC together with realized and unrealized gain on foreign exchange rate from account receivables of PTTEP due to an appreciation of THB against USD in 2018 lower than 2017.

In 2018, there was non-recurring item mainly are the loss on Montara field divestment of PTTEP amounting by THB 1,886 million, inventory loss by THB 2,004 million and gain on business acquisition of GC by THB 1,355 million. The non-recurring items in 2017 are PTTEP recognized impairment loss on assets of the Mariana Oil Sand Project amounting to THB 18,505 million, impairment loss on coal mining asset of PTTGM amounting to by THB 4,229 million and impairment loss on petrochemical business of PTTGC amounting by THB 2,296 million versus dividends income from investment in EPIF mutual fund of THB 4,310 million and gain on selling investment in SPRC and mutual fund of PTT

of THB 2,780 million. (These transactions have been recognized under PTT's stakeholding in net expense approximately THB 2,300 million in 2018 and THB 9,000 million in 2017.)

Finance cost decreased by THB 1,458 million or 5.0% from THB 29,086 million in 2017 to THB 27,628 million in 2018 mainly from lower average long-term loan compared with 2017 following repayment of long-term loans and redemption of debentures during 2018.

Corporate income taxes increased by THB 25,341 million or 89.5% from THB 28,306 million in 2017 to THB 53,647 million in 2018 mainly from PTT's income tax expenses related to restructuring of the oil business in 2018 amounting to THB 6,033 million and the full redemption of BOI tax privilege since 4Q2017 of GSP business unit, including PTTEP's tax expenses from an increase in petroleum profit from an increase in sales revenues.

Therefore, PTT and its subsidiaries reported net income of THB 119,684 million in 2018, a decrease of 11.5% or by THB 15,496 million from 2017 of THB 135,180 million.

Summary of non-recurring items in 2018 until present are as follows:

#### January 2018

- On January 23, 2018, GC has signed Engineering, Procurement and Construction Agreement for the new Olefins Reconfiguration Project (ORP) at Map Ta Phut Industrial Estate in Rayong Province with capacity of 750,000 TPA. The new olefins plant has been planned to commercially operate within 2020. The total investment of this project is approximately THB 36,000 million or about USD985 million.
- On January 29, 2018, the Board of Directors of PTTGC America LLC (PTTGCA), a subsidiary of PTTGC, approved the execution of Heads of Agreement (HOA) between PTTGCA and a subsidiary of Daelim Industrial Co., Ltd., construction and petrochemical company of Republic of Korea, to conduct a feasibility study of the Petrochemical Complex project in the State of Ohio, United States of America which will produce and distribute ethylene and its derivatives 1.5 MTPA.
- On January 31, 2018, PTTEP Mexico E&P Limited, S. de R.L. de C.V. (PTTEP MEP), a wholly-owned subsidiary of PTT Exploration and Production Public Company Limited (PTTEP), and its consortium have been selected as the successful bidders of 2 exploration blocks in the gulf of Mexico in Mexico.

#### February 2018

- On February 6, 2018, the Ministry of Environment and Forestry of the Republic of Indonesia had filed a request to the court for withdrawal of a lawsuit, regarding to May 8, 2017 the legal action commenced in Indonesia relating to the Montara incident, with the reason to amend the claim. Therefore, the court had granted the request and ordered to strike the case out of the case-list.
- On February 20, 2018, the Board of Directors Meeting of PTT approved the acquisition of ordinary shares in IRPC Public Company Limited (IRPC) from the Government Savings Bank in the number of 1,950 million shares with a par value of THB 1 per share, equivalent to approximately 9.54% of the total issued and sold shares of IRPC, at the price of THB 7.10 per share, totaling THB 13,845 million, through the Stock Exchange of Thailand (Share Acquisition Transaction). As a result, PTT is currently holding 48.05% of IRPC's share capital.
- On February 20, 2018, the Board of Directors Meeting of PTT approved the establishment of PTT Treasury Center Company Limited (PTT TCC), a wholly owned subsidiary of PTT with a registered capital of THB 20 million in order to conduct the business in the area of International Headquarters (IHQ) and Treasury Center (TC) for the purpose of financial and treasury management of PTT Group.

#### March 2018

- On March 21, 2018, GC Estate Company Limited, PTTGC's wholly owned subsidiaries, signed Land's Sales and Purchase Agreement with PTT with the total value approximately THB 7,200 million.
- On March 30, 2018, the consortium consists of PTTEP HK Offshore Limited (Malaysian Branch) or PTTEP HKO (the Operator), a wholly-owned subsidiary of PTTEP, and PETRONAS Carigali Sdn. Bhd. (PCSB) with participating interests of 80% and 20% respectively, signed Production Sharing Contracts with Petroliam Nasional Berhad (PETRONAS) for exploration and production rights of 2 blocks located in Malaysia.

#### April 2018

- On April 12, 2018, the Annual General Meeting of Shareholders of PTT has passed the resolution as follows;
  - The change in the par value of PTT from THB 10.00 per share to THB 1.00 per share and the amendment to clause 4 of PTT's Memorandum of Association to reflect such change in the par value. The new par value in Stock Exchange of Thailand was effective on April 24, 2018.
  - Approved dividend payment for year 2017 at THB 20.00 per share, approximately THB 57,108 million or 42.8% of 2017 consolidated net income. On September 15, 2017, PTT paid an interim dividend for the operating results of the first half of 2017 at THB 8.00 per share. The remaining dividend for the second half of 2017 was at THB 12.00 per share which paid on April 27, 2018.
- On April 25, 2018, the Board of Directors Meeting of PTT passed a resolution to establish a new company to carry out the "Café Amazon" coffee business in Singapore. This is the stepping stone for Café Amazon to be as a global brand. The new company in Singapore has established in September 2018, with registered capital not more than SGD 6.5 million, consisting of ordinary share at 1 Singapore dollar per share, with shareholding 100% by PTT Oil and Retail Business Public Company Limited (PTTOR).



May 2018	<ul style="list-style-type: none"> <li>Sapthip Company Limited (SAPTHIP) (50% owned by Thailoil Ethanol Company Limited (TET) established Sapthip Green Energy Company Limited to conduct power plant business from biogas with an initial registered share capital of THB 1 million and 100% owned by SAPTHIP.</li> <li>Nava Nakorn Electricity Generating Company Limited (Subsidiary of GPSC will invest in an expansion for an addition of 60 megawatts of electricity generation capacity and 10 tons per hour of steam generation capacity, with the project cost of approximately THB 3,105 million. The commercial operation will commence in the third quarter of 2020. After the operation, Nava Nakorn Electricity Generating Company Limited will gain the total electricity generation capacity of approximately 185 megawatts and the net steam generation capacity of approximately 40 tons per hour.</li> </ul>
June 2018	<ul style="list-style-type: none"> <li>On June 18, 2018, the Board of Directors Meeting of PTTGC has approved to establish Kuraray GC Advanced Materials Co., Ltd as a joint venture company. The purpose of the joint venture company is to invest in production of High-Heat Resistant Polyamide-9T (PA9T) 13,000 tons/year and Hydrogenated Styrenic Block Co-Polymer (HSBC) 16,000 tons/year. PTTGC will hold 33.4% share while Kuraray Co., Ltd (KRR) and Sumitomo Corporation (SC) will indirectly hold share Affiliate Companies by 53.3% and 13.3%, respectively. The initial register capital was THB 10 million.</li> <li>On June 21, 2018, PTTEP has completed the acquisition of the 22.22% stake in the Bongkot Project from Shell Integrated Gas Thailand Pte. Limited (Shell) and Thai Energy Company Limited (a wholly-owned subsidiary of Shell), with the transaction value before tax of approximately USD 750 million. As a result, PTTEP's stake in the Bongkot Project has effectively increased from 44.4445% to 66.6667% with incremental petroleum sales volume of approximately 35,000 barrels of oil equivalent per day.</li> <li>On June 29, 2018, the Board of Directors Meeting of Thai Oil Public Company Limited (TOP) has approved on the investment in the Clean Fuel Project (CFP) for enhancing the competitiveness of the company by improving its production efficiency, adding value to the products that is environmental friendly, and to increase its oil refining capacity from 275,000 to 400,000 barrel per day to allow the refineries to handle more types and greater quantities of crude oils, with the investment value of approximately USD 4,825 million or approximately THB 160,279 million. The construction time for this project is approximately 5 years.</li> </ul>
July 2018	<ul style="list-style-type: none"> <li>On June 18, 2018, PTT and PTTOR had successfully executed the Business Transfer Agreement and PTT had commenced the process of transferring various assets and liabilities, and shares of related companies to PTTOR since July 1, 2018.</li> <li>On July 15, 2018, PTTEP Australasia (Ashmore Cartier) Pty Ltd, a subsidiary of PTTEP, signed a Sale and Purchase Agreement (SPA) to sell a 100% stake in the Montara field and its related assets in the Commonwealth of Australia, to Jadestone Energy (Eagle) Pty Ltd with the asset purchase price of USD 195 million with completion in September 2018.</li> <li>On July 23, 2018, the Board of Directors Meeting of PTTGC has approved to divest all of the remaining shares in Alliance Petrochemical Investment (Singapore) Pte. Ltd. which PTTGC owns 15.34% stake with the total value from the sale of shares equal to THB 663 million.</li> </ul>

August 2018	<ul style="list-style-type: none"> <li>On August 3, 2018, PTTOR CHINA has been registered to establish to carry out lubricants business in China with a registered capital of not more than THB 80 million (around USD 2.26 million), which PTTOR will hold 100% of PTTOR CHINA shares.</li> <li>On August 8, 2018, PTTGC together with an affiliated company signed SPA to acquired 74% shares of Siam Mitsui PTA Company Limited (SMPC), a Purified Terephthalic Acid (PTA) producer, and 74% shares of Thai PET Resin Company Limited (TPRC), a Polyethylene Terephthalate (PET) resin producer, from SCG Chemicals Co., Ltd. and Mitsui Chemicals, Inc. total investment around USD125 million or equivalent to approximately THB 4,148 million, which the transfer of shares had completed late 2018. The investment aimed to expand the downstream investment and increase market potential in polymer business.</li> </ul>
October 2018	<ul style="list-style-type: none"> <li>On September 28, 2018, the Board of Directors of PTT has approved a resolution for the payment of interim dividend for the first half of 2018 (1H/2018) performance to PTT's shareholders at the rate of THB 0.80 per share, totaling approximately THB 22,850 million, or 32.9% of the 1H/2018 consolidated net income. The payment of the dividend was on October 26, 2018.</li> <li>On October 16, 2018, the Board of Directors of IRPC had approved the Company to invest in Guangzhao Saiju Performance Polymer Ltd. (GZSJ) in China. The investment will be the subscription of capital increased shares equivalent to 15% of total registered capital, in an amount of RMB 135 million (approximately THB 650 million). Currently, GZSJ is the major operator of plastic product e-commerce business in China. The Board approved IRPC to incorporate the private company under the laws of Thailand with the registered capital amounting to THB 120 million, by which the Company and GZSJ will hold the shares equivalent to 55% and 45% of total shares, respectively, to develop the e-commerce platform focusing in plastic products in Thailand.</li> <li>On October 30, 2018, PTTGC has signed the Share Sale and Subscription Agreement to acquire 49% shares of Revolve Group Limited (RGL) from an original shareholder and by subscription of newly issues shares from RGL. The total investment was GBP 6.4 million or equivalent to approximately THB 281 million. RGL is a major producer of Rotomolding Compound with a significant market share in Europe and Oceania, which the major feedstock used is LLDPE plastic resin.</li> </ul>
November 2018	<ul style="list-style-type: none"> <li>On November 16, 2018, the Board of Directors of PTT approved an establishment of a new joint venture company between PTT, PTT's affiliate and Bangkok Industrial Gas Company Limited (BIG) under the name of Map Ta Phut Air Products Company Limited (MAP). PTT and PTT's affiliate aggregately will hold 51% in MAP shares, and BIG will hold 49% in MAP's shares. MAP will engage in the business of the production and distribution of industrial gas by applying technology of air separation processing utilizing waste cold energy from liquified natural gas (LNG) with the total investment approximately THB 1,500 million. The establishment was completed in early of 2019.</li> </ul>



## December 2018

- On December 7, 2018, GPSC has entered into share purchase agreement to acquire directly and indirectly, through subsidiaries company, in N.P.S. Stargroup Co., Ltd., World X Change Asia Co., Ltd., and P.P. Solar Co., Ltd., a solar power producer in Thailand and have the total power generation capacity of 39.5 megawatts, includes TerraForm Global Operating Co., Ltd., that provide operation and maintenance service for solar power plants. The total value of the transaction is approximately THB 3,070 million to be a solar power producer in Thailand.
- On December 13, 2018, PTTEP Energy Development Company Limited, a subsidiary of PTTEP, has been awarded the rights of petroleum exploration and production and as the operator for Exploration Block No. G1/61 (Erawan field) and G2/61 (Bongkot field) with holding interest of 60% and 100%, respectively. The Production Sharing Contracts (PSC) are expected to be signed within the first quarter of 2019.
- On December 21, 2018 Board of Directors Meeting of PTT has approved the five-year (Year 2019-2023) investment plan of PTT and wholly owned subsidiaries in an aggregate amount of THB 167,114 million. The major investments will be in gas business group and JV and wholly owned subsidiaries such as natural gas transmission pipeline system, expanding import capacity of LNG receiving terminal as well as expanding oil and non-oil business in Thailand and international. In addition, PTT has prepared provisional investment budget amounting to THB 187,616 million, mainly to expand its core business i.e. LNG Value Chain, and to invest in new s-curve businesses which in the process of undergoing feasibility studies.
- On December 26, 2018, the Office of the Energy Regulatory Commission (ERC) approved the proposed merger of GPSC and GLOW. The approval of the ERC was granted subject to a condition precedent that GLOW must sell Glow SPP 1 Co., Ltd. (SPP1) after GPSC has appealed the order disapproving such application on 12 November 2018 and that the sale of SPP1 should be completed by the first quarter of 2019.

## January 2019

- On January 3, 2019, PTTEP has temporarily shutdown of the Bongkot's operation around 4 - 7 days due to the Tropical Storm "PABUK" entering the Gulf of Thailand. According to aforementioned situation, average sales volume during the period is estimated to reduce by 96,700 barrels of oil equivalent per day or accounted less than 1% of the average sales volume per day in 2019.
- PTTEP MENA Limited, a wholly-owned subsidiary of PTTEP, and Eni Abu Dhabi B.V., a wholly owned subsidiary of Eni, Italian multinational oil and gas company, have been selected as the successful bidders of two offshore blocks named Offshore 1 and 2 which are located in the north-west of Abu Dhabi, United Arab Emirates for exploration and production rights. The consortium has signed Concession Agreement with the Abu Dhabi National Oil Company (ADNOC) on January 12, 2019, with the participation interest for PTTEP MENA Limited at 30% and Eni Abu Dhabi B.V. (the Operator) at 70%.
- TOP has planned the maintenance schedule for 2019 to the shutdown schedule of Crude Distillation Unit 3 (CDU-3) and some major production units for major turnaround and tie-in new units of the CFP as planned since mid-June to mid-July 2019 for approximately 30 days. In the same period, Continuous Catalyst Regeneration Platformer Unit 1 (CCR-1) and Hydrocracking Unit 2 (HCU-2) will be shut down for approximately 30 days and 36 days respectively. For aromatics production units, Thai Paraxylene Company Limited (TPX) will be shut down since mid-June to end of July 2019 for approximately 45 days.
- In January 2019, TOP has entered agreements with GPSC's wholly-owned subsidiary to transfer ownership in the Energy Recovery Unit (ERU) with the designed generating capacity of 250 megawatts and steam, to supply the production process of the CFP Project, utilizing by-products of the CFP Project as the main source of fuel, instead of owned investment. The total value is not exceeding USD 757 million (approximately THB 24,113 million), expecting that the construction of the ERU Project will be completed in the third quarter of 2023. The transaction will be proposed to the 2019 Annual General Meeting of Shareholders of TOP and GPSC for consideration and approval.

## Overall performance of PTT and its subsidiaries

Financial performance of Y2018 compared with Y2017 are summarized as follows:

Unit: THB Million

	2017	2018	% Inc. (Dec.)
<b>Sales Revenue</b>	<b>1,995,722</b>	<b>2,336,155</b>	<b>17.1%</b>
• Exploration & Production	147,725	171,809	16.3%
• Gas	443,740	489,549	10.3%
• Coal	19,575	20,527	4.9%
• Oil	547,296	601,064	9.8%
• International trading	935,616	1,239,121	32.4%
• Petrochemical & Refining	950,727	1,132,080	19.1%
• Others <sup>1/</sup>	26,134	32,244	23.4%
<b>EBITDA</b>	<b>345,395</b>	<b>351,396</b>	<b>1.7%</b>
• Exploration & Production	105,468	126,843	20.3%
• Gas	83,792	94,084	12.3%
• Coal	6,114	7,445	21.8%
• Oil	19,598	15,271	(22.1%)
• International trading			
• Excluding effect of FX and derivatives	527	2,702	> 100%
• Including effect of FX and derivatives	5,387	5,929	10.1%
• Petrochemical & Refining	123,835	97,821	(21.0%)
• Others	4,538	5,653	24.5%
<b>Depreciation and Amortization Expenses</b>	<b>116,289</b>	<b>123,556</b>	<b>6.2%</b>

1/ Including Technology and Engineering Business

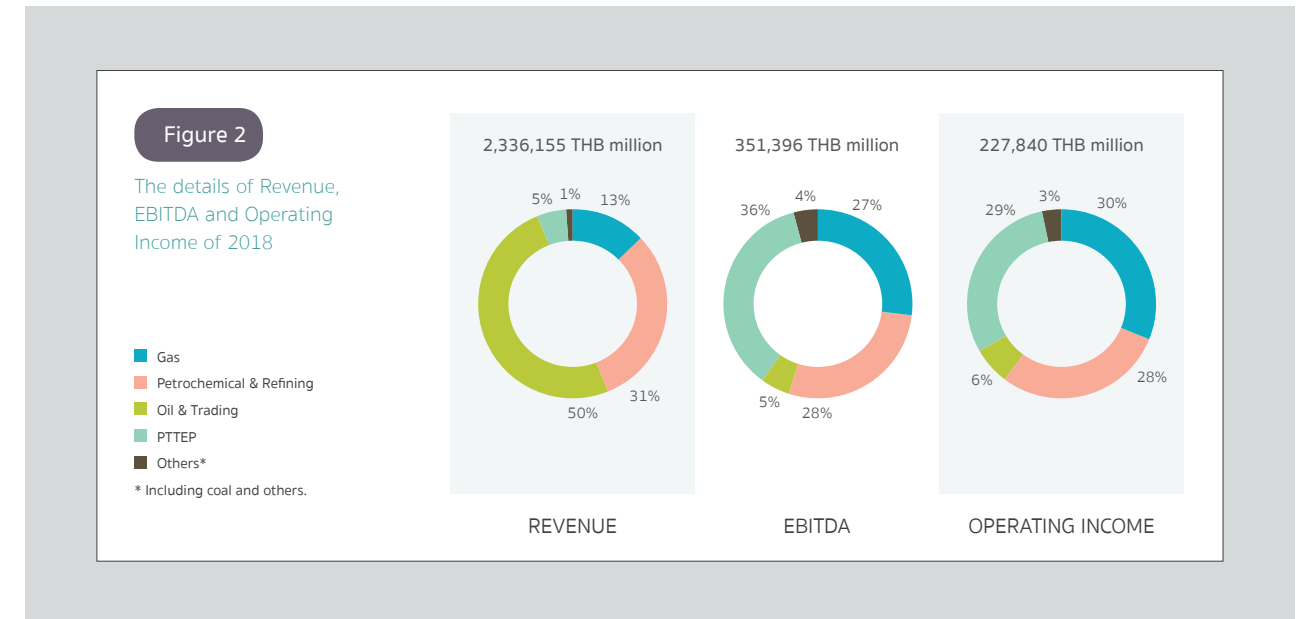


Unit: THB Million

	2017	2018	% INC. (DEC.)
<b>Operating Income</b>	<b>229,106</b>	<b>227,840</b>	<b>(0.6%)</b>
• Exploration & Production	49,699	66,701	34.2%
• Gas	67,451	76,088	12.8%
• Coal	4,224	5,516	30.6%
• Oil	15,454	10,955	(29.1%)
• International trading			
• Excluding effect of FX and derivatives	494	2,591	> 100%
• Including effect of FX and derivatives	5,354	5,818	8.7%
• Petrochemical & Refining	89,316	62,922	(29.6%)
• Others	946	1,489	57.4%
<b>Share of net income from investments in joint ventures and associates</b>	<b>7,310</b>	<b>8,515</b>	<b>16.5%</b>
<b>Loss on impairment of assets</b>	<b>24,848</b>	<b>17</b>	<b>(99.9%)</b>
<b>Gain on foreign exchange</b>	<b>13,650</b>	<b>6,354</b>	<b>(53.5%)</b>
<b>EBIT</b>	<b>242,014</b>	<b>246,684</b>	<b>1.9%</b>
<b>Finance costs</b>	<b>29,086</b>	<b>27,628</b>	<b>(5.0%)</b>
<b>Income taxes</b>	<b>28,306</b>	<b>53,647</b>	<b>89.5%</b>
<b>Net income</b>	<b>135,180</b>	<b>119,684</b>	<b>(11.5%)</b>
<b>Earnings per share (THB/share)</b>	<b>4.67</b>	<b>4.15</b>	<b>(11.1%)</b>

## Segmentation performance of PTT and its subsidiaries

The details of revenue, EBITDA and operating income by segmentation of 2018 are as follows;



## Upstream Petroleum and Gas Business Group

### Petroleum Exploration and Production Business: PTT Exploration and Production Public Co., Ltd. (PTTEP)

	2017	2018	% INC. (DEC.)
Average selling price (USD/BOE)	39.2	46.7	19.1%
Average sales volume (BOED)	299,206	305,522	2.1%

In 2018, PTTEP reported its sales revenue of THB 171,809 million in PTT and its subsidiaries' financial statements, increasing by THB 24,084 million or 16.3% from 2017. This resulted mainly from 19.1% increase in average selling prices from USD 39.2 per BOE in 2017 to USD 46.7 per BOE in 2018 and 2.1% increase in average sales volume from 299,206 BOED in 2017 to 305,522 BOED in 2018 according to an additional participating interests of 22.22% in Bongkot Project since June 2018 as well as the higher nomination from buyers of the "Contract 4" Project.

EBITDA in 2018 was recorded by THB 126,843 million, increasing by THB 21,375 million or 20.3%. The increase in EBITDA was mainly from the increase in gross profit by THB 24,376 million from the higher sales revenue despite the increase in petroleum royalties and remuneration by THB 2,733 million following the increase in domestic sales revenue. Whereas, there were higher depreciation and amortization expenses by THB 4,373 million from the additional participating interests of the Bongkot Project as well as an increase in development wells and wellhead platforms in the Contract 4 and S1 Projects. As a resulted, 2018 operating income in was reported by THB 66,701 million, increasing by THB 17,002 million or 34.2%.

In 2018, overall performance increased following the increase in operating profit. Though there was an increase in income tax expense regarding the less appreciation of THB against USD in 2018, than in 2017, as well as the impairment loss on assets of the Mariana Oil Sand Project amounting to THB 18,505 million be recorded in 2017. Whereas, there were loss on the Montara field divestment of THB 1,886 million and the derecognition of deferred tax assets of PTTEP Australasia by THB 1,754 million in 2018.



Gas Business Group

The detail of all products sales volume from GSPs are as follows:

Unit: Ton

	2017	2018	% INC. (DEC.)
LPG	2,919,062	3,203,338	9.7%
Ethane	2,333,234	2,389,118	2.4%
Propane	826,526	907,028	9.7%
NGL <sup>1/</sup>	732,192	692,853	(5.4%)
Total	6,811,014	7,192,337	5.6%

Note:

1/ Include Pentane Product

The detail of reference product prices of GSPs are as follows:

Unit: USD per Ton

	2017	2018	% INC. (DEC.)
LPG <sup>1/, 4/</sup>	485	539	11.1%
Ethylene <sup>2/</sup>	1,092	1,149	5.2%
Propylene <sup>2/</sup>	823	990	20.3%
HDPE <sup>2/</sup>	1,168	1,335	14.3%
PP <sup>2/</sup>	1,155	1,273	10.2%
Naphtha <sup>3/</sup>	449	576	28.3%

Note:

1/ Contract Price (CP) 50:50

2/ South East Asia - Spot Price

3/ MOP Singapore (MOP'S)

4/ NEPC acknowledged the progress of LPG liberalization based on the approval of CEPA on December 2, 2016 for government LPG liberalization roadmap that consisted of 2 phases. Phase 1: Before complete the liberalization (Year 2017), liberalized only the LPG imports segment, while Refinery and Gas Separation Plant prices were still regulated through oil fund. Phase 2: LPG fully liberalization effective on August 1, 2017 with no selling price setting of LPG ex refinery and EPPO will only announce the reference price to regulate domestic LPG retail price. However, EPPO will have mechanism to monitor if LPG import price have material deviation from LPG ex GSP and will suggest CEPA to consider the case on a monthly basis.

In 2018, Gas business reported sales revenue of THB 489,549 million, increasing by THB 45,809 million or 10.3%. It is resulted mainly from the higher sales revenue of PTT's GSM and NGR business unit according to an increase in average selling prices following higher gas price despite a slight decrease in average natural gas sales volume (calculated at heating value of 1,000 BTU per cubic foot) from 4,716 MMSCFD in 2017 to 4,710 MMSCFD in 2018. The power producer customer volume in 2018 are closed to the 2017, while NGV volume decreased.

In addition, sales revenue of PTT's GSP business unit increased due to overall sales volume increased from 6,811,014 tons in 2017 to 7,192,337 tons in 2018 or 5.6%. (This resulted primarily from an increase in LPG product volume sold to PTTOR and an increase in Propane product volume according to PTTGC and HMC Polymer Company Limited (HMC)' maintenance shutdown in 2017, as well as the lower shutdown day of PTT's GSP in 2018; when compared to 2017 together with the higher average selling prices, according to the rise in the global referenced petrochemical prices.)

EBITDA and operating income of gas business group in 2018 was reported by THB 94,084 million and THB 76,088 million, increasing by THB 10,292 million and THB 8,637 million, respectively. Its better performance was mainly from PTT's GSP, GSM, NGR and TM as well as PTT's gas subsidiaries, the startup in PTTLNG revenue recognition of LNG terminal 1 Phase 2 with the capacity of 5 million ton per annum since March 2018 and the higher average selling prices of PTTNGD.

NGV reported loss increase from the higher natural gas cost, despite sales volume decreased. Though the selling prices of taxi and public cars increased from THB 10.00 per kg to THB 10.62 per kg since May 16, 2018. And the selling prices to private cars increased from the adjustment of improving gas quality expense, an increase by THB 0.4553 per kg from THB 3.4367 per kg to THB 3.8920 per kg, effective from September 16, 2017.

Coal Business

	2017	2018	% INC. (DEC.)
Newcastle index price (USD per ton)	88.5	107.3	21.2%
Average selling price (USD per ton)	70.3	77.6	10.4%
Sales volume (million tons)	8.3	8.2	(1.2%)

Sales revenue in 2018 was THB 20,527 million, increasing by THB 952 million or 4.9% mainly due to the average selling prices which increased by USD 7.3 per ton or 10.4% from USD 70.3 per ton in 2017 to USD 77.6 per ton in 2018 following the increase of Newcastle reference price by 21.2%. Meanwhile, sales volume in 2018 slightly decreased by 0.1 million ton or 1.2% from 8.3 million ton in 2017, to 8.2 million ton in 2018 due to lower demand in the second half of 2018 which resulted from the slowdown order from higher coal price.

EBITDA in 2018 was THB 7,445 million, increasing by THB 1,331 million or 21.8% mainly from the increase in gross profit by 1,184 million following higher selling prices, despite high cost and expenses from the past tax lawsuit by the Supreme Court Decision. Operating income in 2018 was THB 5,516 million, increasing by THB 1,292 million, compared with 2017 following higher EBITDA versus depreciation and amortization expenses increased by THB 39 million.



## Downstream Petroleum Business Group

### Oil Business Group

Unit: Million Liter

	2017	2018	% INC. (DEC.)
Average sales volume	26,006	26,351	1.3%

Sales revenue of oil business in 2018 was THB 601,064 million, increasing by THB 53,768 million or 9.8% mainly from higher product selling prices following rising global oil price especially from Jan-Sep 2018. Also, sales volume increased by 345 million liters or 1.3% from 26,006 million liters or equivalent to 448,159 barrels per day in 2017 to 26,351 million liters or equivalent to 454,103 barrels per day in 2018, mainly from diesel and gasoline due to stations' expansion and aviation fuel after International Civil Aviation Organization (ICAO) lifted Thailand off significant safety concern list since the beginning of 2018, allowing several airlines to resume their operations.

EBITDA and operating income in 2018 was at THB 15,271 million and THB 10,955 million, decreasing by THB 4,327 million and THB 4,499 million respectively, mainly from stock loss in 2018 instead of a stock gain in the previous year, as well as higher advertising, sales promotion, and operating expenses which increased following the stations' expansion, amid non-oil performance which improved 7% following an expansion of Café Amazon, and higher profit (that exclude stock loss) of diesel and gasoline.

### International Trading Business Unit

Unit: Million Liter

	2017	2018	% INC. (DEC.)
Average sales volume	75,638	80,481	6.4%

In 2018, sales revenue of international trading business was THB 1,239,121 million, increasing by THB 303,505 million or 32.4% which resulted from the rise in product selling prices in accordance with global oil prices especially from Jan-Sep 2018. Moreover, the sales volume in this period increased by 4,843 million liters or 6.4% from 75,638 million liters or equivalent to 1,303,442 barrels per day in 2017 to 80,481 million liters or equivalent to 1,386,912 barrels per day in 2018, mainly due to higher sales volume of imported crude and condensate as IRPC refinery had major planned turnaround in 1Q2017, and higher sales volume of out-out Trading crude and condensate.

EBITDA, which adjusted the effect of foreign exchange rate and derivatives, in 2018 was THB 5,929 million, increasing by THB 542 million or 10.1%, mainly due to higher margin of imported crude and condensate together with higher margin of domestic condensate which resulted from the average oil prices in Crude Basket increased. Consequently, operating income which adjusted the effect of foreign exchange rate and derivatives of international trading business in 2018 increased to THB 5,818 million from THB 5,354 million in 2017, in line with the rise in EBITDA.

## Petrochemical and Refinery Business Group

Unit: USD per barrel

	2017	2018	% INC. (DEC.)
Market GRM	5.74	4.69	(18.3%)
Inventory gain (loss)	1.04	(0.28)	< (100%)
Accounting GRM	6.40	4.36	(31.9%)
Refinery Utilization rate (%)	100.0%	104.4%	4.4%

Unit: USD per barrel

	2017	2018	% INC. (DEC.)
<b>Olefins</b>			
Naphtha (MOPJ)	496	614	23.8%
HDPE	1,168	1,330	13.9%
HDPE - Naphtha	672	716	6.5%
LLDPE	1,178	1,181	0.3%
LLDPE - Naphtha	682	567	(16.9%)
LDPE	1,277	1,207	(5.5%)
LDPE - Naphtha	781	593	(24.1%)
PP	1,155	1,269	9.9%
PP - Naphtha	659	655	(0.6%)
<b>Aromatics</b>			
Condensate	467	606	29.8%
BZ	823	821	(0.2%)
BZ - Cond	357	215	(39.8%)
PX	847	1,057	24.8%
PX - Cond	380	451	18.7%

In 2018, sales revenue of petrochemical and refining business was THB 1,132,080 million, increasing by THB 181,353 million or 19.1% mainly from the rise in average selling price of most petroleum and petrochemical products in both aromatics and olefins following the rise in crude oil prices and the increase in demand of downstream products.



Sales volume of refining business rose following the increasing of refinery utilization rates from 100.0% in 2017 to 104.4% in 2018 together with sales volume and operating rate of petrochemical business both olefins and aromatics increased due to GC's LLDPE II had started its commercial operation in 2018. Whereas in 2017, GC had efficiency improvement and planned maintenance shutdown of both olefins and aromatics plants, and IRPC had major planned turnaround.

In 2018, EBITDA of petrochemical and refining business was THB 97,821 million, dropping by THB 26,014 million, and operating income was THB 62,922 million, decreasing by THB 26,394 million, mainly from

- Overall refinery performance decreased following by the lower Accounting GRM from USD 6.40 per barrel in 2017 to USD 4.36 per barrel in 2018, as a result of decreasing in Market GRM from higher crude premium and lower gas line and fuel oil crack spread over crude oil. In addition, stock gain decreased from USD 1.04 per barrel to stock loss USD 0.28 per barrel following a significant drop in crude price.
- Overall olefins petrochemical performance decreased from lower product price especially in 4Q2018 and higher feed cost, despite the increased in sales volume mainly from PTTGC that had increasing capacities from LLDPE II. Aromatics petrochemical performance decreased due to lower BZ spread following higher supply especially in China from an unusually high inventory level. However, PX spread rose in 2018 due to improved demand from growing downstream business of Polyester and PTA for PET production to substitute diminishing recycled PET in China.

## Other businesses

Other businesses include Technology and Engineering Business, which mainly come from GPSC.

Sales revenue of GPSC in 2018 was THB 24,880 million, increasing by THB 4,855 million or 24.2% from higher sales volume as IRPC-CP with the capacity of 240 megawatts started Commercial Operation Date (COD) of 2 phases and Ichinoseki Solar Power 1 GK (ISP1) with the capacity of 20.8 megawatts started COD since 4Q2017, as well as higher sales volume of Rayong Central Utility from higher demand of industrial users as they expanded production capacities. Additionally, the FT rate also increased slightly.

EBITDA in 2018 was THB 5,490 million, increasing by THB 1,076 million or 24.4% due to higher gross profit despite rising natural gas cost and higher selling and administrative expenses.

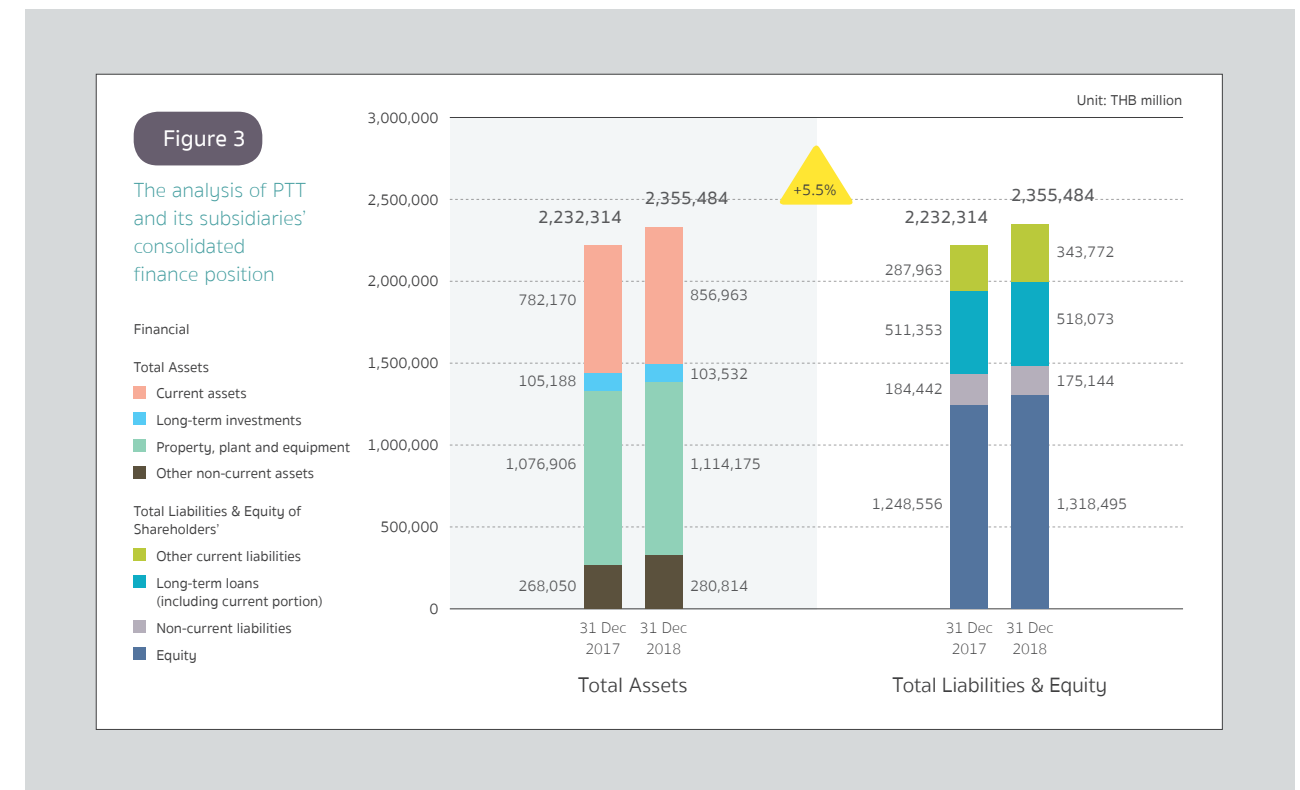
Overall performance of GPSC in 2018 improved, following higher EBITDA despite higher depreciation and amortization expenses from full phase operations of IRPC-CP and ISP1, as well as lower dividend income from RPCL when compared to 2017.

## Net income in 2018 was THB 119,684 million, 11.5% drop or THB 15,496 million from 2017 net income of THB 135,180 million

In 2018, PTT and its subsidiaries had net income of THB 119,684 million, 11.5% drop or THB 15,496 million from 2017 net income of THB 135,180 million. This resulted from the performance increase of exploration and production business from the rise in both average selling prices and sales volume while there was a recognition of an impairment loss on assets of the Mariana Oil Sand Project amounting to THB 18,505 million in 2017. Moreover, performance of gas business group, both operating by PTT's and its affiliates also increased except NGV business. However, Petrochemical and Refining businesses' performance decreased mainly from stock loss following the sharp drop of crude oil prices in 4Q2018 while there was stock gain in 2017. The olefins and aromatics petrochemical business performance also decreased from the lower petrochemical spreads especially during the end of 2018 due to the concern on the slowdown in world economy and unresolved of United States and China trade war, despite the increasing in sales volume. Likewise, the performance of oil business decreased with regard to stock loss in 2018 versus stock gain in 2017. PTT and its subsidiaries recorded higher depreciation and amortization expenses according to PTTEP's acquisition of participating interest in Bongkot gas field and the increase in income tax expenses due to better performance of exploration and production business, higher income tax from the restructuring of oil business unit and lower BOI tax privilege. Moreover, there were loss on derivatives and the decrease in foreign exchange gain from lower appreciation of THB against USD in 2018 compared with 2017.

## The Analysis of PTT and its Subsidiaries' Consolidated Financial Position

As of December 31, 2018 Compared with December 31, 2017



## Assets

As of December 31, 2018, total assets of PTT and its subsidiaries were THB 2,355,484 million, increasing by THB 123,170 million or 5.5% compared with December 31, 2017. The increase was mainly from the net effect of the followings:

- An increase of THB 74,793 million or 9.6% in current assets was mainly from the followings:
  - Net increase of THB 38,765 million in cash and cash equivalents and current investment mainly from the rise in operating cash flow from PTT and affiliates.
  - An increase of THB 3,408 million in inventory mainly due to the rise in inventory volume from both oil and gas products.
  - An increase of THB 32,931 million in other current assets mainly from other accounts receivable which from input vat refund from the payment for business acquisition of PTTOR and PTTEP's advance payment of the acquisition of additional stakes in the Bongkot Project.
- A decrease of THB 1,656 million or 1.6% of long-term investment mainly from the reclassification of available for sales of TOP and GC to current investment.
- An increase of THB 37,269 million or 3.5% in property, plant and equipment was mainly from the additional construction in progress assets of PTT Group, for instance, GC's projects; Olefins Reconfiguration, Propylene Oxide and Polyols, the 5<sup>th</sup> Transmission Pipeline Project of PTT, TOP's projects; Thaioil Sriracha Building project, New Crude Tanks Construction project, New Jetty 7 and 8, and Catalyst Cooler project of IRPC. Moreover, there were the acquisition of additional stakes 22.22% of the Bongkot Project as well as additional investment in exploration and production assets in Zawtika and S1 projects of PTTEP. However, depreciation, amortization and depletion in this period was THB 117,703 million.
- An increase of THB 12,764 million or 4.8% in other non-current assets was mainly from the increase in deferred tax asset (DTA) of PTTOR due to the transferring oil business unit from PTT. In addition, goodwill increased due to the acquisition of additional stakes of the Bongkot Project.



## Liabilities

As of December 31, 2018, PTT and its subsidiaries had total liabilities of THB 1,036,989 million, increasing by THB 53,231 million or 5.4% from December 31, 2017, mainly from the followings:

- An increase of THB 55,809 million or 19.4% in other current liabilities primarily from higher other accounts payable which increased from PTTEP's deferred considerations acquired through business acquisition of additional stakes in the Bongkot Project and PTTGC's payable from additional construction of the Olefins Reconfiguration projects. Moreover, PTT's income tax payable increased in this period due to the transferring of Oil Business Group to PTTOR and the expiration of BOI privilege of GSP business unit in 2017.
- An increase of THB 6,720 million or 1.3% in long-term loans (including the current portion within 1 year) mainly from the higher of long term loan by THB 6,832 million included by the additional loans of THB 143,627 million in this period mainly from TOP, PTTOR, PTTGC, and IRPC. However, there were repayment of long-term loans and the redemption of debenture amounting to THB 136,795 million mainly from PTTGC, PTTEP, PTT, TOP and IRPC. Moreover, the effect of foreign exchange and fee resulted in higher long-term loans by THB 198 million.
- A decrease of THB 9,298 million or 5.0% in non-current liabilities mainly from advance receivable of PTTT decreased and deferred tax liabilities of PTTEP decreased following the appreciation of THB against USD.

## Equity

As of December 31, 2018, PTT and its subsidiaries had total shareholders' equity of THB 1,318,495 million, increasing by THB 69,939 million or 5.6% from the year ended 2017, mainly due to performance in 2018 of PTT and its subsidiaries which was THB 119,684 million. Also, PTT had dividend payment from the performance of 2H/2017 by THB 12.00 per share and from the performance of 1H/2018 by THB 0.8 per share (After the change in par value of PTT's share from THB 10.00 per share to THB 1.00 per share) amounting to total THB 57,108 million.

## Liquidity

For the year ended December 31, 2018, PTT and its subsidiaries had net increase in cash and cash equivalents amounting to THB 125,995 million, and cash and cash equivalents at the beginning of the period was THB 166,189 million. As a result, cash and cash equivalents at the end of the period was THB 292,184 million. Details of cash flow by activities are as follows:

	THB Million
Net cash provided by operating activities	267,801
Net cash used in investing activities	(34,148)
Net cash used in financing activities	(111,468)
Effects of exchange rates on cash and cash equivalents	637
Currency translation differences	3,173
Net decrease in cash and cash equivalents during the period	125,995
Cash and cash equivalents at the beginning of the period	166,189
Cash and cash equivalents at the end of the period	292,184

# PTT and its Affiliates

As of December 31, 2018

### E&P Business Group Percentage

PTT Exploration and Production Public Co., Ltd.	PTTEP	65.29
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### Gas Business Group Percentage

Trans Thai-Malaysia (Thailand) Co., Ltd.	TTM(T)	50.00
Trans Thai-Malaysia (Malaysia) Sdn. Bhd.	TTM(M)	50.00
PTT Natural Gas Distribution Co., Ltd.	PTTNGD	58.00
PTT LNG Co., Ltd.	PTTLNG	100.00
PTT Global LNG Co., Ltd.	PTTGL	50.00

### Oil Business Group Percentage

PTT Oil and Retail Public Business Co., Ltd.	PTTOR	100.00
Petro Asia (Maoming) Co., Ltd.	PA (Maoming)	20.00
Petro Asia (Sanshui) Co., Ltd.	PA (Sanshui)	25.00

### International Investment Business Group Percentage

PTT Energy Resources Co., Ltd.	PTTER	100.00
PTT Green Energy Pte. Ltd.	PTTGE	100.00
PTT Global Management Co., Ltd.	PTTGM	100.00

### International Trading Business Group Percentage

PTT International Trading Pte. Ltd.	PTTT	100.00
PTT International Trading London Limited	PTTT LDN	100.00

### Petrochemical and Refining Business Group Percentage

PTT Global Chemical Public Co., Ltd.	GC	48.18
Thai Oil Public Co., Ltd.	TOP	48.03
IRPC Public Co., Ltd.	IRPC	48.05
PTT Tank Terminal Co., Ltd.	PTT TANK	100.00

### Technology and Engineering Business Group Percentage

PTT Energy Solutions Co., Ltd.	PTTES	40.00
District Cooling System and Power Plant Co., Ltd.	DCAP	35.00
Thai Oil Power Co., Ltd.	TP	26.00
Global Power Synergy Public Co., Ltd.	GPSC	22.58
Energy Complex Co., Ltd.	EnCo	50.00
Baania (Thailand) Co., Ltd.	Baania	3.57
HG Robotics Co., Ltd.	HG Robotics	9.49

### Other Business Group Percentage

Business Services Alliance Co., Ltd.	BSA	25.00
PTT Digital Solutions Co., Ltd.	PTT DIGITAL3	20.00
Dhipaya Insurance Public Co., Ltd.	TIP	13.33
PTT Regional Treasury Center Pte. Ltd.	PTTRTC	100.00
Sarn Palung Social Enterprise Co., Ltd.	SPSE	20.00
PTT Treasury Center Co., Ltd.	PTT TCC	100.00

**Note:** PTT holds 100% of BSA's ordinary shares. Thus, PTT's ownership interest in BSA is 100%.



# Revenue Structure of PTT and Subsidiaries\* by Product Line

Product/Service	Operated by	% Share-holding	2016 (Audited)		2017 (Audited)		2018 (Audited)	
			THB million	%	THB million	%	THB million	%
1. Gas Products	PTT Plc.		367,696.92	21.17	356,916.23	17.45	360,419.76	15.22
	PTT Exploration and Production Plc. (PTTEP)	65.29	10,362.45	0.60	9,527.70	0.47	11,277.30	0.48
	PTT Natural Gas Distribution Co., Ltd. (PTTNGD)	58.00	7,343.61	0.42	9,815.40	0.48	12,238.71	0.52
	Global Power Synergy Plc. (GPSC)	22.58	78.42	0.01	62.24	-	62.56	-
	PTT Oil and Retail Business Plc. (PTTOR <sup>1/</sup> )	100.00	-	-	-	-	21,645.76	0.91
Total Revenue from Gas Products			385,481.40	22.20	376,321.57	18.40	405,644.09	17.13
2. Oil Products	PTT Plc.		550,266.24	31.68	604,353.66	29.55	489,636.41	20.68
	PTT Exploration and Production Plc. (PTTEP)	65.29	8,650.59	0.50	8,727.69	0.43	10,089.96	0.43
	PTT International Trading Pte. Ltd. (PTTT)	100.00	117,599.77	6.77	202,561.27	9.91	287,626.36	12.15
	PTT International Trading London Limited (PTTT LDN)	100.00	-	-	31,462.80	1.54	56,813.20	2.40
	PTT Global Chemical Plc. (PTTGC <sup>3/</sup> )	48.18	20,315.68	1.17	25,501.09	1.25	32,993.95	1.39
	Thai Oil Plc. (TOP <sup>3/</sup> )	48.03	112,309.11	6.46	149,568.69	7.31	167,123.39	7.06
	IRPC Plc. (IRPC <sup>3/</sup> )	48.05	93,424.70	5.38	100,292.75	4.90	130,874.04	5.53
	PTT (Cambodia) Limited (PTTCL <sup>2/</sup> )	-	7,036.15	0.40	9,104.02	0.45	-	-
	PTT Oil and Retail Business Plc. (PTTOR <sup>1/</sup> )	100.00	45,496.69	2.62	45,251.57	2.21	265,059.12	11.19
			955,098.93	54.98	1,176,823.54	57.55	1,440,216.43	60.83
3. Petrochemical Products	PTT Plc.		20,041.99	1.15	22,486.43	1.10	36,788.07	1.55
	PTT Global Chemical Plc. (PTTGC <sup>3/</sup> )	48.18	110,974.12	6.39	218,118.80	10.67	232,641.11	9.82
	Thai Oil Plc. (TOP <sup>3/</sup> )	48.03	23,639.62	1.36	26,835.75	1.31	30,368.45	1.28
	IRPC Plc. (IRPC <sup>3/</sup> )	48.05	48,387.04	2.79	57,607.06	2.82	68,614.71	2.90
	PTT Polymer Marketing Co., Ltd. (PTTPM)	-	71,598.25	4.12	-	-	-	-
	PTT International Trading Pte., Ltd. (PTTT)	100.00	44,198.35	2.54	59,722.95	2.92	54,941.35	2.32
	PTT Oil and Retail Business Plc. (PTTOR <sup>1/</sup> )	100.00	-	-	-	-	391.05	0.02
Total Revenue from Petrochemical Products			318,839.37	18.35	384,770.99	18.82	423,744.74	17.89
4. Mining Products	PTT Energy Resources Co., Ltd. (PTTER)	100.00	15,994.85	0.92	-	-	-	-
	PTT Global Management Co., Ltd. (PTTGM)	100.00	-	-	19,250.09	0.94	20,527.20	0.87
Total Revenue from Mining Products			15,994.85	0.92	19,250.09	0.94	20,527.20	0.87

Product/Service	Operated by	% Share-holding	2016 (Audited)		2017 (Audited)		2018 (Audited)	
			THB million	%	THB million	%	THB million	%
5. Utilities Products	PTT Plc.		-	-	1.32	-	0.75	-
	Thai Oil Plc. (TOP <sup>3/</sup> )	48.03	3,316.62	0.19	4,557.83	0.22	4,834.71	0.20
	IRPC Plc. (IRPC <sup>3/</sup> )	48.05	3,082.00	0.18	2,716.64	0.13	3,179.71	0.13
	Global Power Synergy Plc. (GPSC)	22.58	10,283.76	0.59	8,884.50	0.43	13,348.58	0.56
	Energy Complex Co., Ltd. (EnCo)	100.00	-	-	-	-	49.51	-
Total Revenue from Utilities Products			16,682.38	0.96	16,160.29	0.78	21,413.26	0.89
6. Non-oil Businesses	PTT Plc.		6,307.00	0.36	7,896.21	0.39	5,009.52	0.21
	PTT Oil and Retail Business Plc. (PTTOR <sup>1/</sup> )	100.00	5,127.76	0.30	5,120.13	0.25	10,905.08	0.46
	PTT (Cambodia) Limited (PTTCL <sup>2/</sup> )	-	338.92	0.02	623.20	0.03	-	-
Total Revenue from Non-oil Businesses			11,773.68	0.68	13,639.54	0.67	15,914.60	0.67
7. Revenue from Services	PTT Plc.		36.90	-	32.16	-	11.50	-
	PTT Exploration and Production Plc. (PTTEP)	65.29	2,345.22	0.14	2,626.92	0.13	3,481.65	0.15
	PTT Global Chemical Plc. (PTTGC <sup>3/</sup> )	48.18	6,350.31	0.37	1,614.36	0.08	1,682.54	0.07
	Thai Oil Plc. (TOP <sup>3/</sup> )	48.03	427.37	0.02	387.95	0.02	236.04	0.01
	IRPC Plc. (IRPC <sup>3/</sup> )	48.05	591.68	0.03	543.36	0.03	574.57	0.02
	PTT Oil and Retail Business Plc. (PTTOR <sup>1/</sup> )	100.00	493.11	0.03	464.30	0.02	492.05	0.02
	PTT Digital Solutions Co., Ltd. (PTT DIGITAL)	20.00	50.33	-	84.31	-	189.47	0.01
	PTT Tank Terminal Co., Ltd. (PTT TANK)	100.00	756.29	0.04	727.46	0.04	643.85	0.03
	PTT Polymer Logistics Co., Ltd. (PTTPL)	-	126.93	0.01	-	-	-	-
	PTT Energy Solutions Co., Ltd. (PTTES)	40.00	46.29	-	14.94	-	28.68	-
	Energy Complex Co., Ltd. (EnCo)	50.00	291.17	0.02	282.13	0.01	261.68	0.01
	Business Services Alliance Co., Ltd. (BSA)	25.00	118.63	0.01	114.39	0.01	130.29	0.01
	PTT Oil Myanmar Co., Ltd. (PTTOM <sup>2/</sup> )	-	8.87	-	6.28	-	-	-
Total Revenue from Services			11,643.10	0.67	6,898.56	0.34	7,732.32	0.33
8. Other Products	PTT Plc.		137.87	0.01	146.15	0.01	93.43	-
	Business Services Alliance Co., Ltd. (BSA )	25.00	4.71	-	5.58	-	4.90	-
	PTT Global Chemical Plc. (PTTGC <sup>3/</sup> )	48.18	134.70	0.01	-	-	-	-
	Global Power Synergy Plc. (GPSC)	22.58	-	-	591.73	0.03	4.58	-
	PTT Digital Solutions Co., Ltd. (PTT DIGITAL)	20.00	11.30	-	-	-	-	-
	PTT International Trading Pte. Ltd. (PTTT)	100.00	2,937.85	0.17	988.45	0.05	744.39	0.03
	IRPC Plc. (IRPC <sup>3/</sup> )	48.05	105.90	-	125.49	0.01	114.98	-
	PTT Oil Myanmar Co., Ltd. (PTTOM <sup>2/</sup> )	-	-	-	0.09	-	-	-
Total Revenue from Other Products			3,332.33	0.19	1,857.49	0.10	962.28	0.03
Total Revenue from Products and Services			1,718,846.04	98.95	1,995,722.07	97.60	2,336,154.92	98.64
9. Others								
9.1 Other Revenue			9,682.65	0.56	28,268.51	1.38	16,935.10	0.72
9.2 Gain (loss) from foreign exchange			4,472.68	0.25	13,650.64	0.66	6,353.51	0.28
Total Other Revenue			14,155.33	0.81	41,919.15	2.04	23,288.61	1.00
10. Share of profit from investments in joint ventures and associates			4,143.21	0.24	7,310.42	0.36	8,515.02	0.36
Grand Total			1,737,144.58	100.00	2,044,951.64	100.00	2,367,958.55	100.00

## Remarks:

\* Revenues of PTT and subsidiaries are net revenues derived from external parties.

1/ Former: PTT Oil and Retail Business Co., Ltd. (PTTOR)

2/ Since July 1, 2018, PTT has commenced the process of transferring various assets and liabilities, and share of related companies which consisted of PTTCL and PTTOM to PTTOR.

3/ During 2018, PTT changed its shareholder portion in PTTGC, TOP and IRPC.





PTT’s connected transactions resulted from the following agreements summarized below:

1. Transactions between PTT and state enterprises

Transactions

Sales of natural gas to state enterprises

PTT signed gas sales agreements (GSAs) with one state enterprise, namely the Electricity Generating of Thailand (EGAT), in which there are 3 GSAs currently :

- 1. GSA between PTT and EGAT, dated November 7, 1996.
- 2. GSA for Nam Phong Power Plant between PTT and EGAT, dated February 2, 2006.
- 3. GSA for Chana Power Plant between PTT and EGAT, dated November 2, 2007.

However, PTT and EGAT are now considering a new GSA to ensure alignment with the new national power development plan (PDP).

Sales of fuels and petroleum products to state enterprises

The Cabinet, on March 22, 2016, acknowledged the resolution of a committee on the consideration of privileges of state enterprises and agencies at Meeting No. 5/2558 (2015) on November 25, 2015, defining the privilege granted to PTT to sell to other government agencies and state enterprises besides EGAT 10,000 liters or more of fuels and petroleum products from a compulsory to a voluntary basis. In 2018, PTT sold fuels to the following state enterprises, where they still insisted on buying fuels from PTT: Bangkok Mass Transit Authority (BMTA), State Railway of Thailand (SRT), EGAT, and Transport Company Limited Should a state enterprise owes PTT outstanding payments, PTT is entitled to levy interests under contractual conditions.

2. Transactions between PTT and subsidiary PTTEP Plc

Transactions

PTTEP and its subsidiaries produce and sell crude oil, natural gas, condensate, and LPG. In 2018, PTT was the major buyer (86% by volume) of these. As for natural gas, the two reached a long-term deal of 25-30 years, stipulating annual minimum contractual quantities. PTT entered into an agreement with PTTEP for the supply of crude oil and condensate, whereas PTT sold jet fuels and high-speed diesel to PTTEP under world market prices, identical to those sold to PTT by its partners or under competitive standard reference prices and sensible conditions.

Normal business transactions or those supporting normal business transactions

Item			Value as of December 31, 2018 (THB million)	Necessity and Sensibility
1.1	Sale of petroleum products		145,157.05	Pricing of petroleum products is tied to world market prices and identical to the prices of those sold to PTT by its project partners.
	LPG	74,292.26 metric ton		
	Crude oil	13.36 million barrel		
	Condensate	12.31 million barrel		
	Natural gas	432,892.14 MMscf		
1.2	Purchase of fuels		1,184.90	PTTEP's Board of Directors approved a five-year (2014-2018) fuel supply agreement with PTT. The prices under the agreement were based on competitive standard reference market prices and sensible terms.
	Jet fuel	0.84 million liters		
	High speed diesel	47.95 million liters		
	Natural gas	62.16 MMscf		



### 3. Transactions between PTT and petrochemical and refining affiliates

#### Transactions

PTT signed crude oil and raw material (feedstock) supply agreements and refined product purchase agreements with its petrochemical and refining affiliates as summarized below. PTT also signed GSAs for its feedstock for production process.

#### Agreements with Thai Oil Plc. (TOP)

- PTT has secured crude oil equivalent to 49.99% of TOP's refining capacity at market prices under a 10-year minimum contract starting in 2014. After the 10<sup>th</sup> year, either party may end the agreement through a written notice sent at least 12 months in advance under the Product Offtake and Crude Supply Agreement (POCSA) terms and conditions.
- PTT has secured natural gas for TOP's use in its refinery as required by an agreement between them at market prices, considered normal business practices, under a 10-year contract (January 1, 2014 – December 31, 2023).

#### Transactions and agreements with IRPC Plc. (IRPC)

- PTT has secured crude oil supply equivalent to 100% of IRPC's capacity at market prices for IRPC under a 3-year contract since 2018.
- PTT has signed a 10-year GSA with IRPC for gas firing power generation and cogeneration, effective from January 14, 2011 to January 13, 2021, and for IRPC's processes under a 5-year GSA (November 10, 2015 - October 31, 2020) at market prices.
- In addition, PTT also engaged in oil price hedging to ease the impacts of price volatility.

#### Transactions and agreements with PTT Global Chemical Plc. (GC)

GC was founded on October 19, 2011, through the amalgamation of PTT Chemical Plc. (PTTCH) and PTT Aromatics and Refining Plc. (PTTAR) under the Public Company Act B.E. 2535 (1992). The new company inherited all the assets, liabilities, rights, obligations, and responsibility of the two companies, and continues the operations of the two companies as summarized below.

#### Petrochemical business

- PTT secures major feedstock supply for GC's processes, namely ethane, propane, LPG, and NGL. Under these agreements, the price structure of ethane varies with that of film-grade HDPE in Southeast Asian markets – reflecting the entire petrochemical chain and the HDPE market. Similarly, the price structures of propane and LPG vary with that of film-grade PP in Southeast Asian markets. The prices of other feedstock are as agreed, that is, based on market prices.

The above agreements are extendable for five years, subject to the conditions of individual agreements.

- PTT supplies 4.6 - 6.1 million tons per year of condensate to GC under a long-term agreement under which the price is tied to a basket of crude oil prices.
- PTT entered into a long-term agreement under which it buys GC's outputs of aromatics and naphtha for sale to export customers, effective from 2001.

#### Refining business and petroleum product supply

- PTT has secured crude oil and other raw materials supply under a feedstock supply agreement, effective from February 1, 2009. Under the agreement, PTT is to secure crude oil grades and volumes at market prices, whether imported or from domestic sources.
- PTT has bought LPG at domestic market prices under an 18-year agreement, effective from February 9, 2006, beyond which the agreement is assumed to remain valid unless otherwise notified in advance.
- PTT signed a GSA with GC for the gas consumed in product refining and power generation, which is due to expire in 2029.
- In addition, PTT also engaged in oil price hedging to ease the impacts of price volatility.

### 4. Transactions between PTT and its affiliate of the Technology and Engineering Group

#### Transactions and agreements with Global Power Synergy Plc. (GPSC)

PTT signed a GSA for GPSC's power generation, which is considered a normal business practice. PTT is the country's sole seller of natural gas to industrial operators, with prices and conditions as agreed in the agreements. PTT supplies gas to GPSC's power plants as follows.

1) Sriracha Power Plant: PTT has signed a 25-year GSA with Sriracha Power Plant at an IPP gas price, effective until 2024. GPSC passes on fuel costs with the energy payment to EGAT. If PTT cannot deliver the volume of contractual gas and EGAT instructs GPSC to use its reserve fuel, EGAT will compensate GPSC for the excess gas. Sriracha Power Plant also signed a diesel supply agreement with TOP for use as reserve fuel. The 25-year agreement is due to expire in 2024.

2) Central Utility Plant 1 (CUP-1): PTT has secured 15-year GSA with CUP-1 for power generation. The 15-year GSA is due to expire in 2021.

3) Central Utility Plant 2 (CUP-2): PTT will supply gas to CUP-2 for power generation. The 15-year GSA is due to expire in 2022.

4) Central Utility Plant 3 (CUP-3): PTT has signed a long-term GSA with CUP-3 for its steam generation plant. The 15-year GSA agreement will end in 2023.

#### Sensibility of connected transactions

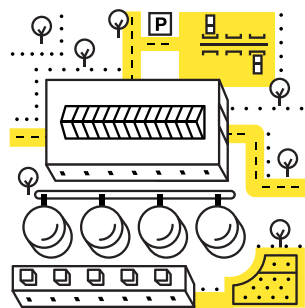
The purchase of goods, raw materials, or services (or all of them) from related companies is meant to create maximum mutual business benefit within PTT Group and to support national energy security. Such transactions are regarded as normal business practices. The volumes of goods or raw materials bought or sold by PTT or services provided or received by related parties match PTT's needs and businesses. To this end, such prices are as agreed in contracts, which leads to commercial benefit to both PTT and related parties without siphoning of benefits or irregular items.

#### Policy on future connected transactions

PTT's future connected transactions will be conducted as part of its normal businesses, without special favors or transfers of benefit between PTT, its subsidiaries, associated companies, related companies, or shareholders. Pricing will continue to be at arm's length, and the prices of products supplied by PTT's subsidiaries will be market-based. Disclosure of connected transactions will conform to SEC's and SET's rules and to the accounting standard for related parties/businesses disclosures announced by the Federation of Accounting Professions.



# Business Assets



As of December 31, 2018, the core assets employed by PTT and its subsidiaries in their businesses commanded

Net assets value after accumulated depreciation and allowance for impairment

THB **1,114,175** million

Net intangible assets

THB **34,200** million

Net exploration and evaluation assets

THB **108,163** million

Details appear in the Notes to the Financial Statements for PTT and its subsidiaries for the year ended December 31, 2018: item 17 (property, plant & equipment), item 19 (intangible assets), and item 20 (exploration and evaluation assets).

## Risk Factors



Recognizing the value of risk management under changing circumstances that may affect businesses due to internal and external factors, PTT relentlessly complied with the principles and approach of COSO-ERM (Committee of Sponsoring Organization of the Treadway Commission), an international standard on risk management. PTT regards risk management as a critical component of all its business processes that must be comprehensively connected, so it has designed an enterprise risk management policy for everyone to observe. The Enterprise Risk Management Committee (ERMC) and The Corporate Plan and Risk Management Committee (CPRC) were thus appointed to steer overall risk management for maximum efficiency.

Corporate risks must be systematically managed through the various management committees. Risk management must be integrated with the formulation of enterprise plans to give risk management plans effectiveness, efficiency, and alignment with corporate goals and strategies. Operational risks fall under the supervision of executives responsible for a given function. All units are responsible for managing and controlling risks to manageable levels, which has been spelled out in the job descriptions for all units.

Investment in PTT stocks calls for investors' consideration of key risk factors arising from PTT's business conduct. Besides the risk factors available in this document, other risk factors do exist, either unknown to PTT at this time or currently seen by PTT as having negligible effects on its businesses. As for data on risks referenced to government or domestic economic data, they have been obtained from public information released by the government and other sources without PTT's verification. Investors should therefore exercise with caution.



Continuing and emerging risks that will prevail under changing circumstances fall into the following aspects.

## 1. Strategic Risks

### 1.1 Business strategy implementation

With upcoming innovation or technological progress resulting in disruptive technology that changes customers' needs and current business flows, PTT values the determination of PTT Group's business strategic directions to accommodate directions changing of the economy, society, energy, technology, and consumers' behavior that align with global megatrends. If PTT's strategies cannot promptly accommodate such change, it could suffer from impacts on businesses and performance outcomes.

A new strategy of establishing a New S-Curve has therefore been devised to pursue opportunities and develop new forms of businesses to handle upcoming changes. A new set of vision and future business strategies have been mapped out by a Top Executive Thinking Session (TTS) and a Strategic Thinking Session (STS) among PTT Group senior executives. The resulting business strategies are translated into five-year business plans, which are then integrated with risk management plans.

In addition, a meeting of PTT Group executives is held every month to monitor all affiliates' performance and share ideas to amend short-term business plans and strategies to ensure well-planned performance outcomes.

### 1.2 Diminishing natural gas outputs and continuity of gas production

After more than 30 years of production, reserves of natural gas from producing fields in Thailand and Myanmar have been depleted. Moreover, some of these gas fields have gradually entered the 'Post-Plateau' period, the period stipulated in the gas sales agreements in which producers are permitted to decrease the contract quantity amount of natural gas to be delivered. Under these circumstances, the chance of getting the same delivery volume as written in agreements is less and less. In addition, the gas sales agreements and petroleum concession agreements

for the Bongkot and Erawan gas fields combining delivery volume of 2.110 Billion Cubic Feet per Day (BCFD) will end in 2022-2023. The government has put up a bidding for areas covering both gas fields under a Production Sharing Contract (PSC) with terms of reference including the minimum combined delivery volume of 1.500 BCFD for the entire 10 years, significantly lower than the current delivery volume. PTT Exploration and Production Public Company Limited (PTTEP), as the operator of the group, won the bidding and E&P rights in both blocks. Even so, if the PSC signing between the government and PTTEP gets delayed or the transfer of petroleum blocks and operations from existing concessionaires to PTTEP deviates from the plan, there could be some impacts on the continuity of natural gas delivery from these two gas fields, which would certainly affect the overall PTT business performance.

To cope with the decreasing delivery volume of indigenous gas, PTT needs to procure additional long-term LNG. Under the preparation for additional use of LNG, construction of the second LNG Terminal, including receiving and delivery stations in Rayong, and laying of the 5<sup>th</sup> pipeline are underway. The procurement for natural gas from new sources in the Gulf of Thailand and the Malaysia-Thailand Joint Development Area (MTJDA) is also ongoing.

Besides the diminishing gas supply, one foresees rising costs of developing domestic gas fields, which could cause gas separation plants to lower their capacities to justify production costs. As a result, the volume of products, including LPG used as fuel and petrochemical feedstock, could fall short of domestic demand. This implies a need for more LPG imports and inevitable procurement and import of other suitable petrochemical feedstock. PTT has not only investigated the feasibility of using alternative feedstock and their imports, but also investigated the readiness of infrastructure by reviewing their economic viability and PTT Group's supply chain for optimal solutions.

### 1.3 Investment management efficiency

PTT does not only continuously grows its businesses, but also seeks new investments by itself and PTT Group. Doing so exposes PTT to risk of lower-than-targeted return on investment, project delays, and project cost overruns.

PTT, has therefore developed criteria for investment and investment budget management by PTT Group and applied PTT's affiliate governance approach to screen decisions, and monitor and steer PTT Group's investment. The process is known as SIM (Strategic Investment Management), in which the Investment Administration Committee, made up of executives with assorted expertise, screens investment, monitors, and reports on PTT's investment to support decision-making by the PTT Management Committee (MC) and the Board to ensure PTT's most useful and efficient capital. In addition, PTT regularly monitors and analyzes the group's investment portfolios to improve performances and revise investment plans while valuing critical path management to lower project risks to the lowest levels so that projects can be completed in time, within budget, with suitable characteristics, and in compliance with laws and regulations.

### 1.4 Personnel development to accommodate business growth

PTT has been experiencing swift expansion due to the growth in domestic and overseas investment here and abroad together with its pursuit of new business opportunities through new investment, the introduction of advanced digital technology and innovations to business operations. As a result, unless PTT can groom sufficient skillful, experienced personnel in time, this could harm its businesses and long-term goal achievement.

To meet the challenges posed by dynamic technologies and work processes, PTT has developed a "workforce of the future", a program to equip employees with a new set of technological skills. This new workforce is provided with a new core competency set under new strategies and new directions with an ability to identify new business opportunities. Under this program, employees are entirely re-appraised and redeveloped with new potential in two major areas:

1. Employees are redeveloped on core competency through arrangement by the PTT Leadership and Learning Institute (PLLI). The redevelopment program provides them with a management view of business acumen, knowledge of technological and digital trends, and a basic concept of innovation development, to be able to apply and push for changes in their respective work processes and cope with all changes.

2. Employees are redeveloped on functional competency through arrangement by the Functional Academy. The redevelopment program provides training and in-depth knowledge of each business with real practices.

In addition, to accommodate the execution of strategic directions for each business unit, PTT has laid down a structure supporting work and stated the number of personnel required to meet the needs of each business unit for each given period. At the same time, personnel management proceeds through the mechanism of career path management. Each career path features a manpower review where key positions are identified along with individual development plans to develop specialized skills for personnel of each career path along with leadership development and promotion of learning. These moves ensure that PTT will constantly command an adequate supply of quality executives and employees.

### 1.5 Reputation risks

Diverse expectations of stakeholders, and with today's technological advancements, do accelerate communication, thus may cause negative news toward PTT go viral very quickly. Some of the information may damage PTT's image and the public's confidence in PTT.

To mitigate these impacts, PTT defined a mission for balanced stewardship of stakeholders and aspires to become an organization of pride focusing on transparent business and balanced stewardship of stakeholders and to yield suitable returns to its shareholders. We refer to "PTT's Pride and Treasure of Thailand". The 2018 stakeholder engagement survey revealed a stably balance of relationship among stakeholders and PTT with no significant anomaly or difference, a satisfactory result giving the leading position to PTT in the industry. The survey also provided data on expectations by stakeholders. This is crucially important to the development and improvement of the 2019 stakeholder engagement program. Responsible staff routinely monitor social movements and gather online news and issues concerning the businesses of PTT and respond accordingly in a timely manner.



PTT, in addition, has translated these valuable data to develop a stakeholder management plan fully integrated with other plans to become a corporate strategic master plan. Stakeholder management is developed with a focus on the preventive approach, governed and monitored by the Enterprise Risk Management Committee (ERMC), which is tasked to review the corporate-level stakeholder management plan and review on a quarterly basis. The top executives of each business unit level are tasked to manage and review stakeholder management at the business unit level and report to relevant senior management. In addition, PTT commands tools for managing and handling complaints. To elaborate, the unit which handles each complaint is to coordinate with the responsible unit in resolving the complaint and track corrective actions, including reporting the summary of causes, impacts, recommendations, and updates on complaint resolution to respective superiors. Finally, it is to provide periodic feedback to complainants until the closure of the complaint.

PTT Groups core value (SPIRIT + Digitalization) was created for all executives and employees to work together to become good and great persons, responsible for the corporation and external society. PTT Group sets future business directions to strike a balance and establish common value supplementation among business, society, and the environment under the Social Enterprise (SE) concept. PTT's focuses on the anti-corruption policy, engaging in transparent business under corporate governance.

## 2. Operational Risks

### 2.1 Price volatility of petroleum and petrochemicals

PTT Group's raw material prices and sales prices of natural gas, condensate, crude oil, petroleum products, petrochemicals, alternative energy, and the spreads between product and raw materials/feedstock prices—domestic ones and overseas—are subject to high volatility of the world market. This could compromise PTT Group's future performance and returns on investment.

To make price risk management higher efficiency, PTT defined a risk mitigation plan to sustain the impacts of volatile energy prices. It formulated scenario planning for various oil prices to promptly handle future changes and uncertainty. PTT Group management has appointed a Price Strategy and Risk Management team under the Petrochemical and Refining Integrated Synergy Management (PRISM), tasked with analyzing world oil price movement and jointly optimizing risk management of feedstock and product prices, as well as those of crude oil and refined products, within the group. Presently, to manage price risks, the group engages in hedging through short-term and long-term derivative contracts with business partners. To this end, meticulous, prudent data analyses are conducted, while suitable risk management tools are chosen to fit periods and objectives, including the swap or option tools.

Also in place is a structure and process for supervising risk management with checks and balances on a par with international standards. Similarly, a Value at Risk (VaR) is defined for each commercial transaction. A risk status summary report is regularly required for relevant executives and units to control and monitor PTT Group's price risks beyond what is acceptable.

### 2.2 Compliance with applicable policies, laws, and regulations

There are many laws and regulations with complexities that can affect the business performance of PTT as well as its corporate image and reputation. Some of these are laws on trade competition and the Government Procurement and Supplies Management Act B.E. 2560 (2017), new and amended government policies, laws, and regulations of concern are budgeting laws, state audit laws, laws concerning state financial discipline, and laws on anti-corruption.

To fully comply with relevant laws, PTT is committed to its Compliance Policy, a policy to govern all activities to comply with state laws and regulations of PTT Public Company Limited, and the Compliance Framework, an operating guideline to ensure full compliance with state laws and

regulations of PTT Public Company Limited. The policy and framework are strictly observed by all directors, executives and employees. A responsible unit of PTT closely monitors development of new laws with proactive participation, including provision details of operations and various obstacles, and occasionally seeking clarifications on certain legislation. These involvements ensure that all activities performed by PTT fully comply with existing and new laws. In addition to the state laws, PTT continuously promotes the culture of PTT Way and PTT Way of Conduct to all staff throughout PTT Group to have all activities performed in the same conduct, same standard and same direction, ranging from the definition and implementation of policies to the development of performance indicators, compliance, and business conduct under the framework. To ensure good governance and good internal control with zero risks of non-compliance with policies, state laws, and related regulations, PTT has developed a Governance Risk and Compliance (GRC) system through research and process designs to integrate all activities in the system. Under the system, a GRC framework has been developed to define targets and respective strategies for all units to jointly participate. All units are responsible for continuously improving their roles and responsibilities and report the results to the Corporate Governance Committee, which is tasked to oversee integrated risk assessment and monitor the work efficiency of all performance to ensure full compliance with all applicable policies, state laws, and regulations. Activities on communication, development of personnel and technology and data network are fully supported to increase GRC efficiency. A pilot area was created to test the system on risk assessment, risk management plans and monitoring and its reporting to applicable committees.

### 2.3 Disruption of production and business operations

With its several sites worldwide, PTT is exposed to disruptions of production and business operations resulting from human errors, malfunctioning machinery, natural catastrophes, threats of political instability, together with terrorist activities and other unexpected hazards. All could prove detrimental to PTT and could wreak damage on PTT's major infrastructure. To lower the impacts of such threats, PTT activates the PTT Group Business Continuity Management System Standard (BCMS) and PTT Group Security, Safety, Health and Environmental Management

Standard (PTT Group SSHE MS) for business units, support units, and PTT Group to leverage in developing and linking up with both common systems. PTT does not only safeguards value-adding activities at sites but also in every step of work to prevent disruptions, ranging from movement of feedstock and petroleum products by applying the five principles of safety management in PTT Group's automotive transport to prevent value-adding activities under PTT's business chain from being disrupted. In addition, PTT reviewed, amended, and developed BCMS to ensure practical connection between business units and stage integrated corporate BCM drills under the "Black Swan" scenario to ensure BCMS recertification of ISO 22301.

Following best practices in the petroleum and petrochemical industries, PTT has subscribed to insurance policies to protect its core operating assets from business interruption in case of additional insurance coverage for operation suspension. But such subscription may not be all-inclusive, since no insurance company offers such comprehensive insurance. Alternatively, it sometimes could prove uneconomic to buy high-coverage insurance. While PTT believes that PTT Group companies have insurance policies that are up to industrial standards, PTT cannot control the ceiling amounts of PTT Group's insurance policies to cover possible damage. In other words, properties that are not significantly or fully covered, or should insurance companies face severe financial problems causing them to go out of business due to such events, PTT's financial position, business performance, or business opportunities could face severe repercussions.

## 3. Financial Risks

### 3.1 Volatility of the Thai baht (THB)

Changes in the exchange rate between the THB and USD both directly and indirectly affect the bulk of PTT's revenue because its prices of natural gas, petroleum, and petrochemical products are tied to the world (US\$-linked) market prices. In other words, PTT's revenue varies with the value of the THB. Yet, changes in the THB value, to a certain extent, affects PTT's margin since the bulk of its profits are in the THB currency and fixed, whereas the sales costs are in USD denomination, which is tied to world market prices, as sales prices.



Fluctuation of the Baht affects PTT's net book profit/loss because of PTT's and subsidiaries' outstanding foreign loans. The yen-denominated loans leverage financial derivatives (the participating swap) to convert loans into dollars to agree with the dollar-denominated revenue. That way, PTT manages to close most of the risks of yen fluctuation against the dollar.

To ease risks of the Baht fluctuation, PTT has balanced its foreign-currency loans with its foreign-currency revenue (that is, taking a natural hedge) while managing its foreign-currency deposits and purchasing forward foreign currencies for smart repayment and commercial transactions—including imported natural gas and crude oil and product exports. PTT has also developed a finance policy as an effective, uniform guideline for PTT Group, which includes terms of reference for assorted risk management practices, which could affect PTT's financial position.

### 3.2 Financial support to affiliated companies

To promote relentless growth, PTT invests in new projects, expands its businesses, or adjusts its operations. Sometimes such investment may be undertaken through new companies or link-ups with strategic partners or through PTT Group companies, or all of these. Some of these companies may still be starting up projects or facing business down-cycles or may not yet be financially strong, so shareholders and PTT will still need to extend cost-overrun support to allow them to operate under strategies and business policies of PTT Group as a whole. Some of these companies may need cash-deficiency support during commercial operations, which may result from force majeure, thus calling for financial help from shareholders. Such financial help may be provided in the form of subordinated debt, equity, trade credit, or shareholder loan, or others.

PTT will consider extending loans or commercial credit, or both, to individual affiliates, hoping that such a policy and action would foster sustainable strength for PTT Group.

In extending such financial support to these affiliates via subordinated loans, commercial credit, or loans from the shareholders, PTT cannot guarantee that these companies can repay such loans or credit, that they will not face financial woes again, or that they will not need financial support from PTT again. Any such possibilities could affect PTT's performance and financial position. Besides, if PTT or any member of PTT Group becomes a default party under any agreement on shareholder support, some creditors may accelerate debt repayment. Therefore, PTT cannot guarantee that it will not raise its own shareholding or raise its shareholding to more than half or take over such company if such action is considered more beneficial. If any of this should happen, the Thai accounting standards require PTT to consolidate the financial statements of the company in question with those of PTT, effective from the date of such control. In short, such consolidation puts PTT's overall financial position at stake.

### 3.3 Financing of funds for plan execution

The businesses of PTT—in particular, petroleum exploration and production, natural gas transmission systems, gas separation plants, and the petrochemical businesses—require massive pre-paid capital investment. Although PTT closely monitors and manages business risks, the actual investment capital required could deviate from project plans.

Thanks to PTT's business conduct that focuses on fostering long-term growth and corporate governance, PTT plans to invest in prudent business expansion with due regard for sources of capital, particularly capital structuring that enables it to maintain crucial financial ratios at suitable levels on a par with peer companies. Continuous monitoring of factors for investment capital sourcing has assured PTT that it can secure sufficient funds for future business expansion at a suitable cost of funds.



## Securities and Shareholders

### PTT's Securities

#### Common shares

As of December 31, 2018, PTT's registered capital totaled THB 28,562,996,250, consisting of 28,562,996,250 common shares at THB 1 per share. These shares represented THB 28,562,996,250 in paid-up capital, or 28,562,996,250 common shares. (The 2018 Annual General Meeting of Shareholders (AGM) held on April 12, 2018, passed a resolution approving the change in the par value of PTT's shares from THB 10 per share to THB 1 per share and the amendment to Clause 4 of PTT's Memorandum of Association to reflect such change in the par value, with effect from April 24, 2018).

#### Bonds and debentures

As of December 31, 2018, PTT's had THB 1,000 million of domestic loans in PTT bonds with the Ministry of Finance guarantee and THB 109,715 million of PTT debentures with no government guarantee, for a total of THB 110,715 million. Foreign loans were in PTT debentures of US dollar denominations not guaranteed by the ministry, equivalent to THB 27,969 million. A summary appears below.



Bonds and Debentures	Amount (THB Million)	Redemption Date	Guarantee
PTT bonds guaranteed by the Ministry of Finance <ul style="list-style-type: none"><li>Domestic bonds</li></ul>	1,000	2020	None
PTT debentures not guaranteed by the Ministry of Finance <ul style="list-style-type: none"><li>Domestic debentures<sup>1/ 4/</sup></li><li>Foreign debentures<sup>2/ 3/ 4/</sup></li></ul>	109,715 27,969	2020 - 2110 2035 - 2042	None None
<b>Total</b>	<b>137,684</b>		
Grand Total	<b>138,684</b>		

**Note:**

- 1/ Fitch Rating's national rating of long-term PTT debentures at 'AAA (tha)' with a stable outlook
- 2/ Moody's international rating of foreign PTT debentures at 'Baa1' with a stable outlook
- 3/ S&P's international rating of foreign PTT debentures at 'BBB+' with a stable outlook
- 4/ See details of domestic and foreign PTT debentures

Unsecured, unsubordinated domestic debentures

Symbol	Amount (THB Million)	Annual Coupon Rate (%) (Payment Frequency)	Maturity Period (Years)/ Redemption Schedule
PTTC195A	1,000	5.90 (every six months)	Fifteen/ 2019
PTTC195B	15,000	(Year 1 - 4) 4.10 (Year 5 - 6) 5.10 (every six months)	6 years, 11 months and 24 days/ 2019
PTTC195C	10,000	(Year 1 - 4) 4.10 (Year 5 – 6) 5.10 (every six months)	6 years, 9 months and 15 days/ 2019
PTTC20NA	22,000	4.75 (every six months)	6 years, 11 months and 19 days/ 2020
PTTC208A	4,118	5.95 (every six months)	Fifteen/ 2020
PTTC215A	1,030	6.53 (every six months)	Fifteen/ 2021
PTTC21NA	10,000 <sup>1/</sup>	4.00 (every six months)	6 years, 11 months/ 2021
PTTC21NB	4,200	3.50 (every six months)	6 years, and 27 days/ 2021
PTTC222A	4,000 <sup>2/</sup>	4.50 (every six months)	Twelve/ 2022

Symbol	Amount (THB Million)	Annual Coupon Rate (%) (Payment Frequency)	Maturity Period (Years)/ Redemption Schedule
PTTC239A	10,000	6.58 (once at the end of redemption period)	Ten/ 2023
PTTC243A	14,967 <sup>3/</sup>	(Year 1 - 5) 5.00 (Year 6-8) 6.20 (Year 9 - 15) 6.80 (every six months)	Fifteen/ 2024 (redeemable after Year 8)
PTTC247A	9,400 <sup>4/</sup>	(Year 1 - 5) 4.25 (Year 6 - 10) 5.50 (Year 11 - 15) 5.75 (every six months)	Fifteen/ 2024 (redeemable after Year 10)
PTTC10DA	4,000 <sup>5/</sup>	5.90 (every six months)	100 years/ 2110 (redeemable after Year 50 and Year 75, and as defined in the terms on rights and duties of the issuers and the holders)
<b>Total</b>	<b>109,715</b>		

Unsecured, unsubordinated foreign debentures

Symbol	Amount (THB Million)	Annual Coupon Rate (%)	Maturity (Years)/ Redemption Schedule
USD Bond 2005	9,540	5.875 (every six months)	Thirty/ 2035
USD Bond 2012	18,429 <sup>6/</sup>	4.50 (every six months)	Thirty/ 2042
<b>Total</b>	<b>27,969</b>		

**Note:**

- 1/ PTT engaged in an interest rate swap from Baht-denominated debentures worth THB 6 billion at a fixed rate to THBFIX + a fixed rate per year on the Baht-denominated principal. The swap will end on November 15, 2021.
- 2/ PTT engaged in a cross-currency swap from Baht-denominated debentures worth THB 4 billion to dollar-denominated ones worth USD 120.55 million at LIBOR + a fixed interest rate per year on the dollar-denominated principal.
- 3/ PTT engaged in an interest rate swap from Baht-denominated debentures worth THB 2 billion at a fixed rate to THBFIX + a fixed rate per year on the Baht-denominated principal. The swap will end on March 6, 2024.
- 4/ PTT engaged in an interest rate swap from Baht-denominated debentures worth THB 6 billion at a fixed rate to THBFIX + a fixed rate per year on the Baht-denominated principal. The swap will end on August 15, 2024.
- 5/ PTT engaged in an interest rate swap from Baht-denominated debentures worth THB 4 billion at a fixed rate to THBFIX + a fixed rate per year on the Baht-denominated principal. The swap will end on December 2, 2027, for THB 2 billion and on June 2, 2028, for the other THB 2 billion.
- 6/ PTT engaged in an interest rate swap from dollar-denominated debentures worth USD500 million at LIBOR + a fixed interest rate per year on the dollar-denominated principal.



PTT warrants

PTT has issued and offered 60,000,000 warrants to the President, the management, PTT employees, and employees of PTT Group companies seconded to PTT, consisting of two batches: PTT-W1 (40,000,000 units), offered in 2005 with the last exercise date on August 31, 2010, and PTT-W2 (20,000,000 units), offered in 2006 with the last exercise date on September 28, 2011. All warrants have been exercised, and no new ones have been issued.

Short-term bill of exchange

As of December 31, 2018, no short-term bill of exchange was outstanding.

Shareholders

Below was PTT’s shareholding structure as of October 12, 2018, the Record date for the 2018 interim dividend payment.

Item	Shares (in million)	Value (THB million)	%
Registered Capital	28,562.9	28,562.9	-
Paid-up Capital (as of October 12, 2018)	28,562.9	28,562.9	100.000
• Ministry of Finance	14,598.9	14,598.9	51.111
• Vayupak Fund 1 by MFC Asset Management Plc	1,736.9	1,736.9	6.081
• Vayupak Fund 1 by Krung Thai Asset Management Plc	1,736.9	1,736.9	6.081
• Institutional and public investors	10,490.2	10,490.2	36.727
Unpaid Capital	-	-	-

PTT’s top 12 shareholders (as of October 12, 2018):

No.	Name	Shares	%
1.	Ministry of Finance	14,598,855,750	51.111
2.	Thai NVDR Co., Ltd.	2,196,575,586	7.690
3.	Vayupak Fund 1 by MFC Asset Management Plc	1,736,895,500	6.081
4.	Vayupak Fund 1 by Krung Thai Asset Management Plc	1,736,895,500	6.081
5.	STATE STREET EUROPE LIMITED	572,054,528	2.003
6.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	547,412,451	1.917
7.	Social Security Office	391,204,100	1.370
8.	THE BANK OF NEW YORK (NOMINEES) LIMITED	263,758,093	0.923

No.	Name	Shares	%
9.	GIC PRIVATE LIMITED	235,759,200	0.825
10.	N.C.B. TRUST LIMITED-NORGES BANK 1	182,479,900	0.639
11.	BNY MELLON NOMINEES LIMITED	156,147,932	0.547
12.	SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	147,761,976	0.517
Total		22,765,800,516	79.704

Note:

- Numbers 6, 8, 11 and 12 were nominee accounts. PTT’s investigation at Thailand Securities Depository Co., Ltd. (TSD), found that the ultimate shareholder’s names could not be disclosed. However, the Ministry of Finance remained the sole majority shareholder on behalf of the state, which in part dictated PTT’s management policy. The ministry nominated directors to the Board for approval by the shareholders. Other substantial shareholders, including Numbers 6, 8, 11 and 12, exercised no influence over PTT’s management policy formulation, including director nomination.
- Shareholders of Thai NVDR Co., Ltd., who held non-voting depository receipts (NVDR) in Item 2, were ineligible for voting at shareholders’ meetings except when exercising their voting rights on delisting the shares from SET.

Dividend policy

PTT

PTT has a policy is to pay out dividend no less than 25% of its net income after deducting all provisional reserves required by law and company regulations. While the net income is based on the consolidated financial statements, dividend payment is subject to future investment plans, necessities and suitabilities. Once the Board has decided on annual dividend payment, it seeks approval from the shareholders’ meeting. An exception is for interim dividend payment, which can be approved by the Board and reported to the next shareholders’ meeting.

Subsidiaries

Concerning subsidiaries’ dividend policies, each subsidiary may decide dividend payment by taking into account its remaining cash flow in comparison with the investment capital. In case the cash flow is substantial enough after legal provisions, the subsidiary may proceed with the payment.

PTTEP

Barring other necessity, the Board has to propose the dividend payments to the shareholders meeting at no less than 30% of PTTEP’s net income after deducting its annual income tax each year, with occasional interim dividend payment. As for the Dividend payment policies of its subsidiaries, there is no policies have been adopted.

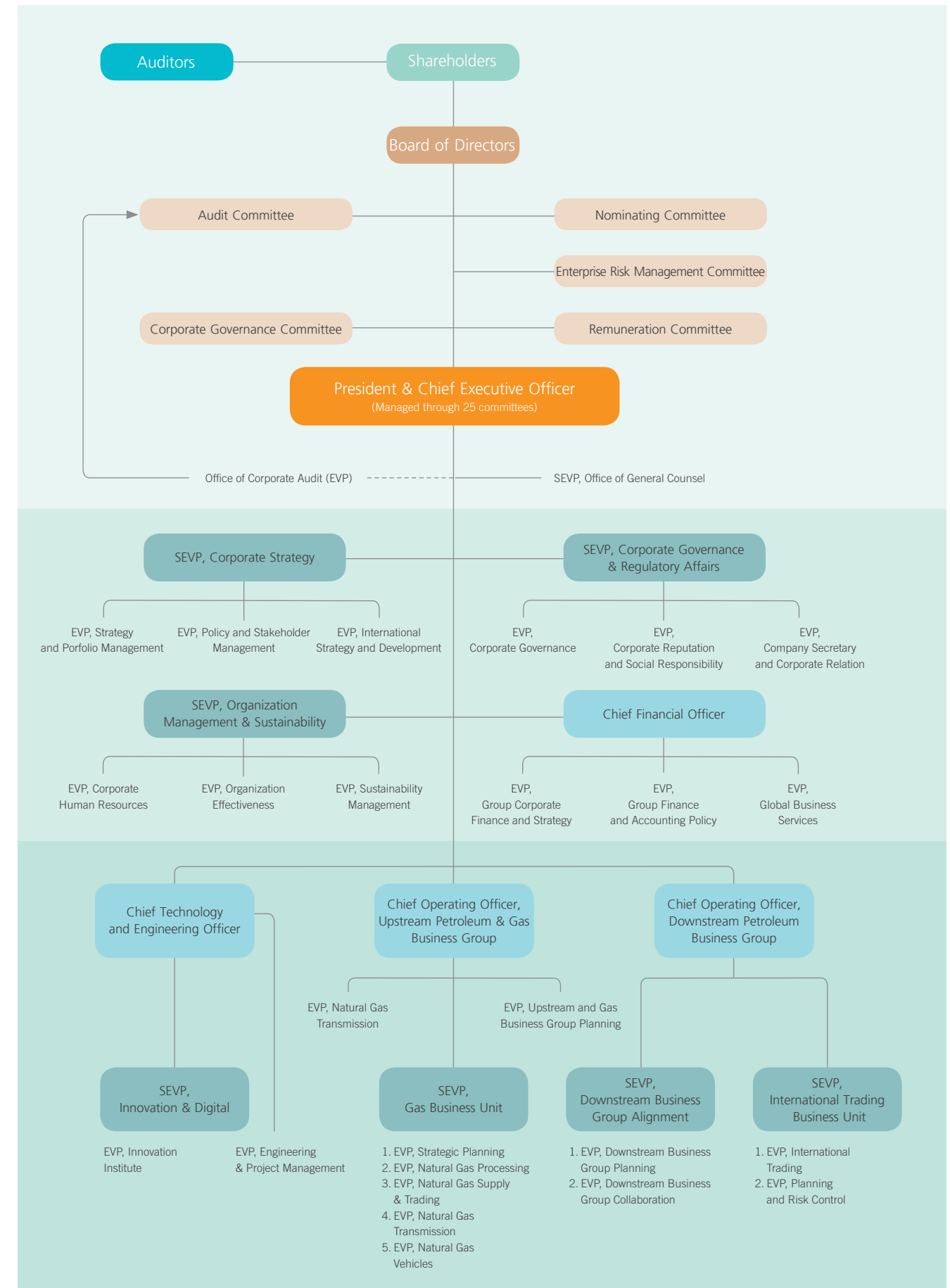


## Management Structure

### Responsibility of the Board of Directors

PTT Public Company Limited's structure as of January 1, 2019 comprises the Board of Directors and five specific committees to consider significant matters, namely the Audit Committee, Nominating Committee, Remuneration Committee, Corporate Governance Committee, and Enterprise Risk Management Committee. The President & CEO is the top executive who manages PTT's business groups through three groups of 25 management committees.

This year PTT established a GRC (Governance, Risk, Compliance) unit under Senior Executive Vice President, Corporate Governance and Regulatory Affairs, responsible for CG compliance and integration of CG principles, risk management, internal control, legal and corporate regulation compliance through corporate governance and development in line with PTT Way of Conduct to cope with the need to centralize and integrate the operations of all lines of business to ensure that the operations of PTT Group are transparent and comply with good governance and drive the company with efficiency and effectiveness sustainably under the management concept "Three Lines of Defense".





## Composition of the Board

Under PTT's Articles of Association, the Board consists of:

- 5-15 persons
- A minimum of three independent directors (PTT's CG principles requires that independent directors account for no less than a half of the Board)
- At least one director must be knowledgeable in accounting and finance.

According to the certification of the Ministry of Commerce dated January 18, 2019, PTT Board of Directors consists of 15 directors as follows:

- 14 non- executive directors (11 of whom are independent directors, which exceeds half of the Board)
- One executive director.
- One female director.

The current Board consists of:

No.	Name	Position as of December 31, 2018	Appointed Date
1.	Mr. Krairit Euchukanonchai	Independent director/ Chairman of the Board (Director from July 11, 2018, and Chairman of the Board from September 7, 2018)	July 11, 2018 (First term)
2.	Prof. Dr. Kittipong Kittayarak	Independent director/ Chairman of the Audit Committee	July 1, 2014 (First term) April 28, 2017 (Second term)
3.	Mr. Don Wasantapruek	Independent director/ Chairman of the Nominating Committee	July 26, 2014 (First term) April 11, 2016 (Second term)
4.	Mr. Vichai Assarasakorn	Independent director/ Chairman of the Remuneration Committee/ Member of the Audit Committee	September 4, 2014 (First term) April 28, 2017 (Second term)
5.	Gen. Chatchalerm Chalernsukh	Independent director/ Chairman of the Corporate Governance Committee	September 4, 2014 (First term) April 11, 2016 (Second term)
6.	Mr. Thon Thamrongnawasawat	Independent director/ Chairman of the Enterprise Risk Management Committee/ Member of the Corporate Governance Committee	November 18, 2016 (First term) April 12, 2018 (Second term)
7.	Mrs. Nuntawan Sakuntanaga	Independent director/ Member of the Audit Committee	July 1, 2014 (First term) April 9, 2015 (Second term) April 12, 2018 (Third term)
8.	Mr. Supot Teachavorasinskun	Independent director/ Member of the Nominating Committee	January 18, 2018 (First term)
9.	Prof. Dr. Surapon Nitikraipot	Independent director/ Member of the Nominating Committee/ Member of the Corporate Governance Committee	April 12, 2018 (First term)

No.	Name	Position as of December 31, 2018	Appointed Date
10.	Mr. Somsak Chotrattanasiri	Independent director/ Member of the Remuneration Committee	April 22, 2015 (First term) April 28, 2017 (Second term)
11.	Mr. Chumpol Rimsakorn	Director/ Member of the Remuneration Committee	December 21, 2018 (First term)
12.	Mr. Danucha Pichayanan	Independent director/ Member of the Enterprise Risk Management Committee	April 12, 2018 (First term)
13.	Mr. Thammayot Srichuai	Director/ Member of the Enterprise Risk Management Committee	December 15, 2016 (First term) April 28, 2017 (Second term)
14.	Mr. Chansin Treenuchagron	Director and Secretary of the Board (President & CEO)	August 31, 2018 (First term)

### Note:

In 2018 the Board appointed new directors to replace those that either completed their terms and/or resigned during this year as follows:

- No. 1: Mr. Krairit Euchukanonchai was appointed as an independent director with effect from July 11, 2018, replacing Mr. Piyasvasti Amranand, who retired from the directorship of PTT due to his completion of sixty five years of age, effective from July 11, 2018; and Chairman of the Board with effect from September 7, 2018.
- No. 8: Mr. Supot Teachavorasinskun was appointed as an independent director with effect from January 18, 2018, replacing Mr. Boontuck Wungcharoen, who tendered his resignation on December 31, 2017.
- No. 9: Prof. Dr. Surapon Nitikraipot was appointed as an independent director with effect from April 12, 2018, replacing Mr. Somkit Lertpaitoon, who completed his term on April 12, 2018.
- No. 11: Mr. Chumpol Rimsakorn was appointed as a director with effect from December 21, 2018, replacing Mr. Krisada Chinavicharana, who tendered his resignation on November 30, 2018. Mr. Krisada Chinavicharana was appointed as a director with effect from June 1, 2018, replacing Mr. Somchai Sujjapongse, who tendered his resignation on May 1, 2018.
- No. 12: Mr. Danucha Pichayanan was appointed as an independent director with effect from on April 12, 2018, replacing Mr. Chanvit Amatamatucharti, who completed his term on April 12, 2018.
- No. 14: Mr. Chansin Treenuchagron was appointed as a President and CEO / director and secretary to the Board with effect from August 31, 2018, replacing Mr. Tevin Vongvanich, who completed his term as President & CEO on August 31, 2018.

### PTT directors appointed in January 2019

No.	Name	Position	Appointed Date
1.	Mr. Nuttachat Charuchinda	Director	January 16, 2019 (First term)
2.	Mr. Kulit Sombatsiri	Director	January 16, 2019 (First term)

### Note:

The Board appointed new directors to replace those that either completed their terms and/or resigned in 2019, or both:

- No. 1: Mr. Nuttachat Charuchinda was appointed as a director with effect from January 16, 2019, replacing AM Boonsuib Prasit, who retired from the directorship of PTT due to his completion of sixty five years of age, effective from December 23, 2018.
- No. 2: Mr. Kulit Sombatsiri was appointed as a director with effect from January 16, 2019, replacing Mr. Thammayot Srichuai, who resigned with effect from January 1, 2019.

## 1.2 Authority and Responsibilities of the Board

- The Board is authorized to supervise and oversee PTT's management in compliance with applicable laws, objectives, articles of association, and resolutions of shareholders' meetings.
- The Board is authorized to select one director to serve as the Chairman and may select Vice Chairman if appropriate.
- The Board is authorized to select one director to serve as President & CEO and Secretary to the Board as appropriate.

### Duties and Responsibilities:

The Board is to:

- Carry out its duties under PTT's Articles of Association and ensure that the management complies with applicable laws, objectives, Articles of Association and resolutions of shareholders' meetings.
- Define PTT's vision, directions, strategies, policies and major plans and consider potential risks so as to ensure that the management can effectively drive plans into practice.
- Monitor and ensure plan implementation in line with PTT's major strategies and policies, including objectives, financial targets and operating plans, and budget.
- Institute systems for corporate accounting, financial reporting and auditing, and efficient and effective internal control and internal audit systems.
- Oversee and supervise issues regarding conflicts of interest and related transactions.
- Define comprehensive risk management guidelines and ensure an efficient risk management system or process.
- Ensure a suitable compensation system or mechanism for senior management to induce short-term and long-term motivation.
- Assess the performance of the President & CEO and decide suitable compensation.
- Ensure suitable communicating channels with each group of shareholders and stakeholders.
- Ensure accurate, clear, transparent, reliable, and high-quality disclosure of information.
- Express leadership and be a role model.

### The Board's additional authority includes:

- Approve long-term investment, such as common stocks, preferred stocks, bonds, debentures and warrants or other financial instruments.
- Approve financial support, including funds, common stocks, preferred stocks, loans or others as appropriate for PTT-invested companies.
- Approve debt financing and issuance of debt instruments such as debentures.
- Approve the annual budget.
- Approve procurement and other procurement-related matters if the limits exceed the CEO's approval authority.
- Consent to employ, appoint, transfer, or promote employees serving as senior executive vice presidents or equivalent upward.
- Appoint the Company Secretary.

## Authorized Directors to Sign and Bind for PTT

According to PTT's Articles of Association, as of January 18, 2019, the directors whose signatures are authorized to sign to bind PTT are either (1) Mr. Chansin Treenuchagron, President & CEO, to sign and affix PTT's seal, or (2) Two out of these three directors: Mr. Don Wasantapruek, Mr. Supot Teachavorasinskun, or Prof. Dr. Surapon Nitikraipot jointly sign and affix PTT's seal.

## Appointment and Dismissal of Directors

1. The Board consists of 5 - 15 persons appointed at shareholders' meetings. In addition, it consists of a minimum of 3 independent directors and at least half of the directors must reside in the Kingdom. At least one of them must be knowledgeable in accounting and finance. All directors must have qualifications as specified by law and PTT's Articles of Association. Since 2004, the Board has a resolution that the Board of directors must comprise at least half of independent directors, a requirement that remains effective until present. As of January 18, 2019, it had 11 independent directors, one female director, all of whom reside in Thailand. Six directors are experts in accounting and finance, namely Mr. Krairit

Euchukanonchai, Mr. Somsak Chotrattanasiri, Mrs. Nuntawan Sakuntanaga, Mr. Vichai Assarasakorn, Mr. Kulit Sombatsiri and Mr. Chansin Treenuchagron.

2. The shareholders' meetings are to appoint qualified directors whom the Nominating Committee has elected and proposed to the Board under the following criteria:

- (1) Each shareholder has one vote per share held.
- (2) Each shareholder exercises all votes applicable under (1) in electing one or more persons as directors, provided that no vote is divisible.
- (3) Candidates with the highest number of votes are to be appointed directors up to the number required at the meeting.
- (4) If candidates get equal votes, which makes the number of successful candidates exceed that of directors to be elected, the Chairman of that meeting will cast the decisive vote.

3. At the AGM, one-third of the directors, or if the number is not a multiple of three, then the number nearest to one-third, will retire from directorship. The directors retiring in the first and second year after PTT was listed are to be drawn by lots. For subsequent years, those with the longest terms are to retire.

4. If a position is vacated because of other reasons beside the term completion, the Board may elect a qualified person without the prohibitions as stipulated under PTT's Articles of Association, to fill the vacancy at the next Board meeting, except the remaining term of the vacated director is less than two months. The acting director must secure at least three-quarters of the votes by the remaining directors. He can also stay in office only for the remaining term of the former director.

5. Any director who wish to resign from directorship must tender his or her resignation to PTT. Such resignation will take effect from the date the resignation letter reaches PTT.

6. In voting to remove any director from directorship before the completion of his term, a three-quarter vote of eligible shareholders present at the meeting is required. The number of shares represented by the three-quarter votes of at least half of the total number of shares represented by the eligible shareholders present at the meeting is also required.

## Qualifications of Directors

Directors must be duly qualified, without the prohibitions stated in the Public Limited Companies Act and the Standard Qualifications for Directors and State Enterprise Employees Act, 1975 [B.E. 2518] and its amendments, as well as relevant Cabinet resolutions, including:

- Up to 65 years of age.
- A maximum of three directorships in state enterprise or in a juristic person in which State enterprise holds shares, including appointments due to their positions and those due to acting assignments.
- Independent directors must be qualified under SET's notification on the qualifications and scope of work of the audit committees B.E. 2558 (2015).
- Never been sentenced to imprisonment, except for violations of the law by negligence or petty offence.
- Not being a political official, except for holding a directorial position pursuant to a provision of law.
- Not being a person holding any position in a political party or an official of political party.
- Never been expelled, dismissed, or made to leave a position because of malfeasance.
- Not being a shareholder of such State enterprise or a shareholder of a juristic person in which such State enterprise holds shares. Exceptions apply to directors of state enterprises who are not government officials, government employees, or wage earners with positions or position salaries of centralized governments, provincial governments, local governments or other government units. Also, such state enterprise directors can hold no more than 0.5% of the paid-up capital of the state enterprise in which they serve as directors or juristic persons where the state enterprise in question holds shares.
- Not being a person holding any position in a juristic person in which such State enterprise holds shares, except where entrusted by the board of directors of such State enterprise to hold a directorial position or other position in the juristic person in which such State enterprise holds shares.
- Not being a director or an executive or a person having authority in the management or an interest in a juristic person who is a concessionaire or joint venture party, or having an interest relating the undertakings of such State enterprise, except for being a chairperson of the board of directors, director or executive by entrustment of such State enterprise.



In 2018, Under the Corporate Governance and Code of Conduct Handbook, Revision 4, on term holding, a director can hold office up to the following limits:

1. A maximum of three directorships in the state enterprises/juristic persons of which the state enterprise is a shareholder.

2. A maximum of three directorships in SET listed companies, provided that the directorships under (2) do not contradict (1). Such directorships in (1) and (2) must not exceed five.

However, Independent directors and members of specific committee shall serve no more than nine consecutive years.

In compliance with the law, PTT ensures that at least one-third of the Board are listed in the Director's Pool of the Ministry of Finance. As of January 18, 2019, 11 out of 15 PTT directors' names were listed in the Director's Pool.

## Board Meetings

Board meetings are planned for the entire year. For 2018, the meetings were held on the third Friday of each month. Additional meetings may be called to discuss special items as necessary. The Office of the President and Corporate Secretary issues a meeting notice along with the meeting agenda with details, reasons, and sufficient accompanying documents for decision-making to each director seven days ahead of the meeting to allow the directors enough time to prepare themselves.

Since 2004, Board meetings have been made electronic in which meeting agenda items are put on a CD format. Since 2013, the meetings agenda and accompanying documents have been conducted through iPad application software for convenience. This requirement has considerably reduces copy of documents also shortens the process, speeds up execution of the agenda, and eases decision-making of management with efficient information access.

Since 2015, the Board has set “sequel agenda” to report the progress of the previously proposed agenda items and to follow up the operations implemented based on the meeting’s observation and comments, with the corporate strategies being applied. The agenda must be reported monthly in the meeting.

The Board has set a policy that meeting documents on particular agenda items will not be forwarded to directors with potential conflicts of interest on such matters. The directors will abstain from attending and voting during that portion of the meeting. At least a quorum of two-thirds of eligible directors is required to pass the Board's resolution. If the quorum is not met, discretion of Chairman will be applied as stipulated in the CG Handbook.

The minutes of each meeting for each agenda item will be properly documented with all written comments and recommendations. After the adoption from the Board was given, meeting minutes will be filed for auditing purposes and reference by directors. By and large, each board meeting lasted pproximately three hours.

In 2018, PTT held 16 Board meetings (12 regular and 4 special). The special meetings, held annually, aimed to determine/review/approve PTT Group's vision and missions, directions and operational strategies (five-year rolling). This year the Board and the management jointly reviewed vision and missions and approved directions and operational strategies as a framework and guideline for business units, subsidiaries and associates to formulate the annual state enterprise plans and budgets of 2019 - 2023. In addition, one Board meeting was conducted in the absence of the management in February 2018 on "The Audit Committee's Hiring of Legal Experts" to provide legal consultation, opinion and advice and prepare legal strategic plans for the Board and the Audit Committee. One independent directors meeting was held in November 2018 on "Managing Tough Issues in ID Meeting" at which the potential issues which might arise from performing the duty of independent directors at the meeting were discussed. At every meeting the Chairman allowed directors to freely and openly express their views. Details of directors' meetings are summarized as follows:

Attendance Record of the Board and the Five Specific Committee Meetings for 2018

[illegible]

Name	Board Meetings in 2018						Appointment during the year
	Board of Directors (Total 16)	Audit Committee (Total 17)	Corporate Governance Committee (Total 6)	Nominating Committee (Total 6)	Remuneration Committee (Total 3)	Enterprise Risk Management Committee (Total 5)	
1. Mr. Krairit Euchukanonchai	7/7						July 11, 2018 (replacing Mr. Piyasvasti Amranand)
2. Prof. Dr. Kittipong Kittayarak	16/16	17/17					-
3. Mr. Don Wasantapruek	16/16		6/6				-
4. Mr. Vichai Assarasakorn	16/16	17/17			1/1		-
5. Gen. Chatchalerm Chalermsook	16/16		6/6				-
6. Mr. Thon Thamrongnawasawat	14/16		6/6	3/3		4/4	-
7. Mrs. Nuntawan Sakuntanaga	13/16	15/17					-
8. Mr. Supot Teachavorasinskun	15/16			2/3			January 18, 2018 (replacing Mr. Boontuck Wungcharoen)
9. Prof. Dr. Surapon Nitikraipot	10/11			3/3			April 12, 2018 (replacing Mr. Somkit Lertpaitoon)
10. Mr. Somsak Chotrattanasiri	16/16				3/3		-
11. Mr. Chumpol Rimsakorn	1/1						December 21, 2018 (replacing Mr. Krisada Chinavicharana)
12. Mr. Danucha Pichayanan	9/11					4/4	April 12, 2018 (replacing Mr. Chanvit Amatamatucharti)
13. Mr. Thammayot Srichuai	16/16					5/5	Mr. Thammayot Srichuai resigned with effect from January 1, 2019.
14. Mr. Chansin Treenuchagron	5/5						August 31, 2018 (replacing Mr. Tevin Vongvanich)

Attendance Record of Retired / Resigned Directors for 2018 (Total: 7 Directors)

Name	Meeting Attendance 2018						Appointment during the year
	Board of Directors (Total 16)	Audit Committee (Total 17)	Corporate Governance Committee (Total 6)	Nominating Committee (Total 6)	Remuneration Committee (Total 3)	Enterprise Risk Management Committee (Total 5)	
1. Mr. Piyasvasti Amranand	9/9						retired from the directorship of PTT due to his completion of sixty five years of age, effective from July 11, 2018.
2. Mr. Chanvit Amatamatucharti	5/5			2/2		1/1	Completed his term on April 12, 2018.
3. Mr. Somkit Lertpaitoon	5/5					1/1	Completed his term on April 12, 2018.
4. Mr. Somchai Sujjapongse	2/6				2/2		Resigned with effect from May 1, 2018.
5. Mr. Krisada Chinavicharana	8/8				1/1		Resigned with effect from November 30 , 2018
6. AM Boonsuib Prasit	16/16			6/6			retired from the directorship of PTT due to his completion of sixty five years of age, effective from December 23, 2018.
7. Mr. Tevin Vongvanich	11/11						completed his term as President & CEO effective from August 31, 2018.

**Note:**  
A total of 16 Board meetings were held during the year (12 regular and 4 special meetings)  
\* Reasons for meeting absence were prior scheduled overseas trips and official engagement. Apologies letters were duly forwarded to the Chairman ahead of the meeting.



Corporate Management

Management team members as of December 31, 2018:

(PTT Organization Chart is detailed under “Responsibility of the Board”)

Name	Position
1. Mr. Chansin Treenuchagorn <sup>1/</sup>	President & CEO
2. Mr. Wirat Uanarunit	Chief Operating Officer, Upstream Petroleum & Gas Business Group
3. Mr. Auttapol Rerkpiboon <sup>2/</sup>	Chief Operating Officer, Downstream Petroleum Business Group
4. Mr. Wittawat Svasti-xuto <sup>3/</sup>	Chief Technology and Engineering Officer
5. Ms. Pannalin Mahawongtikul <sup>4/</sup>	Acting Chief Financial Officer
6. Mrs. Arawadee Photisaro <sup>5/</sup>	Acting Senior Executive Vice President, Corporate Strategy
7. Mr. Preecha Pocatanawat <sup>6/</sup>	Acting Senior Executive Vice President, Organization Management and Sustainability
8. Mr. Kris Imsang <sup>7/</sup>	Senior Executive Vice President, Corporate Governance and Regulatory Affairs
9. Ms. Peangpanor Boonklum	Senior Executive Vice President, Office of General Counsel
10. Mr. Noppadol Pinsupa	Senior Executive Vice President, Gas Business Unit
11. Ms. Duangporn Thiengwatanatham <sup>8/</sup>	Acting Senior Executive Vice President, Downstream Business Group Alignment
12. Mr. Disathat Panyarachun <sup>9/</sup>	Acting Senior Executive Vice President, International Trading Business Unit
13. Mr. Worawat Pitayasiri <sup>10/</sup>	Acting Senior Executive Vice President, Innovation and Digital
14. Mr. Phongsthorn Thavisin <sup>11/</sup>	Senior Executive Vice President, seconded to CEO, PTT Exploration and Production Plc
15. Mr. Supattanapong Punmeechaow	Senior Executive Vice President, seconded to President and CEO, PTT Global Chemical Plc.
16. Mr. Atikom Terbsiri	Senior Executive Vice President, seconded to President and CEO, Thaioil Plc.
17. Mr. Sukrit Surabotsopon	Senior Executive Vice President, seconded to President, IRPC Plc
18. Ms. Jiraphon Kawswat <sup>12/</sup>	Senior Executive Vice President, seconded to Acting President and CEO, PTT Oil and Retail Business Plc.
19. Mr. Chawalit Tippawanich <sup>13/</sup>	Acting Senior Executive Vice President, seconded to President and CEO, Global Power Synergy Plc.

Name	Position
20. Ms. Duangkamol Settanung <sup>14/</sup>	Senior Executive Vice President, seconded to Senior Executive Vice President, Finance and Accounting, PTT Global Chemical Plc.
21. Mr. Sumrid Sumneing <sup>15/</sup>	Executive Vice President, Group Corporate Finance and Strategy
22. Ms. Wilaiwan Kanjanakanti	Executive Vice President, Group Finance and Accounting Policy
23. Mr. Chienvit Udomwatwong	Executive Vice President, Global Business Services

Note:

- No. 1-5 are considered “Management” under SEC’s notification.
- 1/ Appointed on August 31, 2018, replacing Mr. Tevin Vongvanich, who completed his term as President & CEO.
- 2/ Holding the additional position of Acting SEVP, Downstream Business Group Alignment, during the period from October 1, 2017 to September 30, 2018.
- 3/ Appointed on September 16, 2018, replacing Mr. Chansin Treenuchagron, who was appointed as President & CEO.
- 4/ Appointed on October 1, 2018, replacing Mrs. Nitima Thepvanangkul, who retired.
- 5/ Appointed on October 1, 2018, replacing Mrs. Sriwan Eamrunroj, who retired.
- 6/ Appointed on October 1, 2018, replacing Mr. Kris Imsang, who was appointed as SEVP, Corporate Governance and Regulatory Affairs.
- 7/ Appointed on October 1, 2018, in line with restructuring, with a new unit established to oversee corporate governance and regulatory affairs for efficient management.
- 8/ Appointed on October 1, 2018, replacing Mr. Auttapol Rerkpiboon, who held to an additional position of Acting SEVP, Downstream Business Group Alignment during the period from October 1, 2017, to September 30, 2018.
- 9/ Appointed on October 1, 2018, replacing Mrs. Boobpha Amornkiatkajorn, who retired.
- 10/ Appointed on September 16, 2018, replacing Mr. Wittawat Svasti-xuto, who was appointed as Chief Technology and Engineering Officer.
- 11/ Appointed on October 1, 2018, replacing Mr. Somporn Vongvuthipornchai, who retired.
- 12/ Appointed on July 1, 2018 as a result of restructuring to assign PTT Oil and Retail Business Plc. (PTTOR) as the flagship of PTT Group in the oil and retail business.
- 13/ Appointed on October 1, 2018, replacing Mr. Toemchai Bunnag, who retired.
- 14/ Appointed on December 1, 2018.
- 15/ Appointed as EVP on January 1, 2019, seconded to SEVP, Finance and Accounting Group, PTT Exploration and Production, Plc.

Executives appointed from January 1 to February 1, 2019

Name	Position
1. Mr. Yongyos Krongphanich	PTTEP executive, seconded to EVP, Group Corporate Finance and Strategy, PTT, with effect from January 1, 2019, replacing Mr. Sumrid Sumneing.
2. Mr. Wuttikorn Stithit	Acting SEVP, Gas Business Unit, with effect from February 1, 2019, replacing Mr. Noppadol Pinsupa, who was appointed as SEVP, PTT, and seconded to President, IRPC Plc. (replacing Mr. Sukrit Surabotsopon, who resigned before retirement).
3. Mr. Sukrit Surabotsopon	Senior Executive Vice President, seconded to President, IRPC Plc, who resigned before retirement with effect from February 1,2019)

Duties and Responsibilities of the President & CEO

Under PTT’s Articles of Association, the President is authorized and responsible for managing Board-assigned PTT’s overall business. The business shall be strictly and prudently managed with integrity under the Board-approved plans or budget for the best interests of PTT and its shareholders.

The President’s authority and responsibilities include:

- Operating or managing day-to-day business, or both.
- Hiring, appointing, removing, transferring, promoting, demoting, reducing the salary or wages of, taking disciplinary action against, and dismissing any employees under the Board’s regulations.
- Ensuring the preparation and submission of business policies, including operating plans and budget estimates, for the Board’s approval, and reporting performance against them to the Board every three months.
- Ensuring implementation of the Board-approved policies, plans, and budget.

The Board authorized the President to manage PTT’s business under the following scope of authority:

- Manage overall business under the objectives, Articles of Association, policies, rules and regulations, specifications, directives, and resolutions of the Board or shareholders’ meetings, or both.
- Order, contact, command, implement, and sign juristic acts, agreements, orders, announcements, or correspondence with government agencies, state enterprises, or other parties and engage in any essential and suitable action to facilitate this duty.
- Command all employees, including hiring, appointing, removing, promoting, demoting, cutting the salary or wages of, taking disciplinary action against or dismissing any employees under the rules, regulations, and directives of the Board. For employees serving as advisers, senior executive vice presidents or equivalent upward, prior approval of the Board is required. The President is also authorized to specify employment conditions for employees and issue rules for PTT’s operations, provided that they do not contradict with the rules, regulations, and directives of the Board.
- Assign the power of attorney and/or delegate specific tasks to other persons, provided that the action complies with the document concerning the power of attorney or rules, regulations, or directives of the Board or PTT, or both.

The authority and duties of the President stated above are invalid in case of conflicts of interest with PTT in any form resulting from the President’s exercise of the authority. This year no such cases have arisen.

The Management Committee

The PTT Management Committee (PTTMC) was appointed on October 1, 2001, with the mandate of operating PTT’s business. As of February 4, 2019, the Committee consists of 15 members:

Name	Position
1. President & CEO	Chairman
2. Chief Operating Officer, Upstream Petroleum & Gas Business Group	Member
3. Chief Operating Officer, Downstream Petroleum Business Group	Member
4. Chief Technology and Engineering Officer	Member
5. Chief Financial Officer	Member
6. Senior Executive Vice President, Gas Business Unit	Member
7. Senior Executive Vice President, International Trading Business Unit	Member
8. Senior Executive Vice President, Downstream Business Group Alignment	Member
9. Senior Executive Vice President, Innovation and Digital	Member
10. Senior Executive Vice President, Organization Management and Sustainability	Member
11. Senior Executive Vice President, Office of General Counsel	Member
12. Senior Executive Vice President, Corporate Governance and Regulatory Affairs	Member
13. Senior Executive Vice President, seconded to PTT Oil and Retail Business Plc.	Member
14. Senior Executive Vice President, Corporate Strategy	Member and Secretary
15. Executive Vice President, Company Secretary and Corporate Relation	Assistant Secretary

The Management Committee meets at least three times a month. This year there were altogether 46 meetings (42 regular and 4 special meetings).



## Duties and Responsibilities

Provide advice and recommendations to the President & CEO on significant issues regarding corporate strategy and business directions, long-term planning, business performance, investment plans, budgets, allocation of resources to PTT and its affiliates, and ensure uniformity of PTT's operations.

PTTMC also provides consultation and recommendations to the President & CEO and promotes operation in the following matters:

- Sets the visions and major responsibilities for PTT Group.
- Set business directions, strategies, and business targets for the group along with performance targets of business units and the group as a whole.
- Define direction for corporate governance monitoring and integration of Governance, Risk and Compliance of PTT Group
- Consider the capital allocation structure (budget and resources) to support future investments and operations of PTT and PTT Group (PTT Group's Capital Allocation Structure).
- Consider investment management of PTT and PTT Group (PTT Group's Portfolio Management).
- Consider and monitor PTT's extended international investment.
- Establishes a policy on human resource management, prepares and develops the group's management of level 14 up in a systematic, professional way to be ready for its future missions in line with the Leadership Affiliation and Alignment Program.

- Screens and provides opinions and recommendations on the establishment of standards/ mechanisms for the systems of business administration, human resources and information, as well as business process and the organizational structure of PTT and its affiliates in order to be a corporate of sustainability excellence.
- Considers, screens, defines policies and principles for the PTT Way of Conduct, and ensures that it is carried out in the desired directions.
- Ranks significant matters about the allocation of human and financial resources of PTT and its affiliates.
- Jointly resolves significant conflicts between PTT's upstream and downstream petroleum and technology and engineering businesses.
- Follows up the progress and assesses the performance of the group against KPIs (PAs & KPIs)
- Scrutinizes risk management in business operations of the group.
- Screens meeting agendas before presenting to the Board.
- Ranks Board decisions to ensure effective implementation.
- Appoints committees and/or working groups, or both, to assist the Board's tasks.
- Performs other work as may be assigned by the President & CEO.

To efficiently manage PTT Group to drive the strategies and operations of the companies to achieve their goals, PTT has divided its committees into three groups:

### 1. Strategy Committees:

- 1.1 PTT Group Management Committee: PTTGMC
- 1.2 PTT Management Committee: PTTMC (as mentioned above).

### 2. Coordination Committees:

- 2.1 Upstream & Gas Business Group Alignment & Coordination Management Committee (UAC)
- 2.2 Downstream Business Group Alignment & Coordination Committee (DAC)
- 2.3 Technology and Engineering Group Alignment & Coordination Management Committee (TEAC)
- 2.4 PTT Group Technology Committee (PTTGTC)
- 2.5 Sustainability Alignment Committee (SAC)
- 2.6 Gas Business Strategic Alignment Committee (GBSC)
- 2.7 Oil Business Strategic Alignment Committee (OBSC)
- 2.8 Downstream Petroleum Business Group Strategic Alignment Committee (DBSC)
- 2.9 Trading Business Strategic Alignment Committee (TBSC)
- 2.10 Trading Risk Management Committee (TRMC)

### 3. Support Committees:

- 3.1 Corporate Plan and Risk Management Committee (CPRC)
- 3.2 Governance Risk and Compliance Management Committee
- 3.3 Human Resources Group Alignment & Coordination Management Committee (HRAC)
- 3.4 Finance & Accounting Group Alignment & Coordination Management Committee (FAAC)
- 3.5 PTT Group KM Committee
- 3.6 PTT Group Internal Audit Management Committee
- 3.7 PTT Group Digital Steering Committee
- 3.8 PTT Group Policy & Strategic Sourcing Committee
- 3.9 PTT Group Quality, Security, Safety, Health, and Environment Management Committee (QSHEGMC)
- 3.10 PTT Group Brand Equity Optimization Committee.
- 3.11 PTT Group Operational Excellence Committee
- 3.12 PTT Group Corporate Governance Committee
- 3.13 PTT Group CSR Committee.

## Company Secretary:



**Mrs. Wantanee Jaruke**  
Company Secretary  
(since December 1, 2013)

Age: 58

**Number of shares held:**  
0.000430%

**Education:**

- Bachelor of Arts (German), Chiang Mai University
- Master of Business Administration, Kasetsart University

**Company Secretary Training Record:**

- The Thai Institute of Directors Association (IOD):  
Company Secretary Program (CSP 2/2002),  
Effective Minutes Taking (EMT 1/2006),  
Board Reporting Program (BRP 9/2012),  
Company Reporting Program (CRP 4/2012),  
Anti-Corruption the Practical Guide (ACPG 11/2014),  
Corporate Governance for Executives (CGE 1/2014),  
Director Certification Program (DCP 215/2016),  
Ethical Leadership Program (ELP)
- TLCA: Executive Development Program (EDP 7),  
Thai Listed Companies Association
- Company Secretaries, Trueeventus, the Philippines (2013)
- Leadership Development Program,  
Centre for Creative Leadership, Singapore (2015)
- Professional Exchange Program,  
Hong Kong Institute of Chartered Secretaries, Hong Kong, (2016).
- Good Governance for Sustainable Development for  
Senior Executives, Class 5,  
Institute for Good Governance Promotion,  
Office of the Public Sector Development Commission (OPDC)  
(February - September 2018)
- Advanced Management Program, PTT (March 2018)
- Leadership Development Program (LDP) 2, Class 3,  
PTT (April - September 2018)

## Company Secretary

To comply with the CG principles for listed companies contained under the category of “Directors’ Responsibility” and the terms of the Securities and Exchange Act, the Board has designated a Company Secretary to provide the Board with legal advice and related regulations that they need to know and comply with; organize meetings; supervise Board activities to enable them to perform efficiently and effectively for the maximum benefit to PTT; prepare and maintain critical documents, including directors’ registration, Board meeting notices and minutes, annual reports; issue shareholders’ meeting notices and minutes, and keep reports of the interests of directors and managements.

The position of Company Secretary was established in 2008. Mrs. Wantanee Jaruke served as the Company Secretary from December 1, 2013 to present.

**Professional Experience:**

- 2002- 2005  
Expert, Office of the President and Corporate Secretary, PTT
- 2006 - 2013  
Team Leader, Office of the President and Corporate Secretary, PTT
- 2013 - 2018  
Vice President,  
Office of the President and Corporate Secretary, PTT
- 2018 - Present  
Executive Vice President, Company Secretary  
and Corporate Relation.

**Related Important Positions Held:** None

**Extra Activity:**

- Chairman of the Committee of Thai Company Secretary Club,  
Thai Listed Companies Association
- Executive Committee of the Chulalongkorn University  
Preparatory School Alumni Association (CUPSAA), Class 38

**Relationship with Executives:** None.

## Remuneration of Directors and the Management

With the validation of the Remuneration Committee, PTT fairly and sensibly specifies the compensation for directors, taking into account each director’s responsibility, its financial performance, and compatibility with industry peers. Compensation consists of meeting allowances and bonuses. Directors appointed to the committees receive additional allowances for additional responsibilities. Shareholder-approved directors’ compensation rates are as follows:

## Directors’ Compensation

## Directors’ Compensation

The following compensation structure for the Board was approved at the 2018 AGM on April 12, 2018:

## 1. Monthly and Meeting Allowances

## 1.1 Board meeting compensation consisted of:

- Monthly allowance of THB 30,000 per month (same rate as last year)
- Meeting allowance of THB 50,000 for each meeting (same rate as last year) for those in attendance only. Payment of meeting allowances must not exceed once a month (versus the previous limit of up to 15 times per year).

## 1.2 Compensation for other committee meetings (same rate as last year but payment of meeting allowances has a limit of once a month) consisted of:

1.2.1 **Audit Committee**

- Monthly allowance of THB 15,000 per month
- Meeting allowance of THB 15,000 for each meeting for those in attendance only, whereas the Secretary received a monthly allowance of THB 7,500.

1.2.2 Compensation for other committees, namely **the Nominating, Remuneration, Corporate Governance, Enterprise Risk Management Committees** and other sub-committees to be appointed by the Board as necessary, consisted of a meeting allowance of THB 24,000 for each meeting for those in attendance only.

## 1.3 Compensation for the Chairman of the Board and the Chairman of each committee was 25% higher than for other members.

## Directors’ Bonuses in 2018 (same rate as last year)

Bonus payouts for each director, at 0.05% of the net profit of 2018, corresponded to PTT’s performance and net profit, with a maximum limit of THB 3 million per person (same rate as last year). Bonuses were prorated to each director’s term, with the Chairman receiving 25% more than individual directors.



Remuneration for Directors in 2018

Unit : Baht

No.	Name	Days of Service Jan - Dec 2018	Bonus 2018	Meeting Allowance (Inclusive of Monthly Allowance)	Meeting Allowance Specific Committee	Total Allowance	Total Remuneration
1	Mr. Krairit Euchukanonchai	174	1,787,671.23	548,822.58	-	548,822.58	2,336,493.81
2	Prof. Dr. Kittipong Kittayarak <sup>a/</sup>	365	3,000,000.00	960,000.00	498,000.00	1,458,000.00	4,458,000.00
3	Mr. Don Wasantapruerk <sup>a/</sup>	365	3,000,000.00	960,000.00	168,000.00	1,128,000.00	4,128,000.00
4	Mr. Vichai Assarasakorn <sup>a/</sup>	365	3,000,000.00	960,000.00	420,000.00	1,380,000.00	4,380,000.00
5	Gen. Chatchalerm Chalermasukh <sup>a/</sup>	365	3,000,000.00	960,000.00	240,000.00	1,200,000.00	4,200,000.00
6	Mr. Thon Thamrongnawasawat	365	3,000,000.00	960,000.00	336,000.00	1,296,000.00	4,296,000.00
7	Mrs. Nuntawan Sakuntanaga	365	3,000,000.00	910,000.00	360,000.00	1,270,000.00	4,270,000.00
8	Mr. Supot Teachavorasinskun	348	2,860,273.97	893,548.38	48,000.00	941,548.38	3,801,822.35
9	Prof. Dr. Surapon Nitikraipot	264	2,169,863.01	659,000.00	72,000.00	731,000.00	2,900,863.01
10	Mr. Somsak Chotrattanasiri <sup>a/</sup>	365	3,000,000.00	960,000.00	96,000.00	1,056,000.00	4,056,000.00
11	Mr. Chumpol Rimsakorn	11	90,410.96	60,645.16	-	60,645.16	151,056.12
12	Mr. Danucha Pichayanan	264	2,169,863.01	609,000.00	96,000.00	705,000.00	2,874,863.01
13	Mr. Thammayot Srichuai <sup>a/</sup>	365	3,000,000.00	960,000.00	168,000.00	1,128,000.00	4,128,000.00
14	Mr. Chansin Treenuchagron <sup>b/</sup>	123	1,010,958.90	320,967.74	-	320,967.74	1,331,926.64
Total			34,089,041.08	10,721,983.86	2,502,000.00	13,223,983.86	47,313,024.94

a/ Includes the meeting allowance of Nominating Committee and Remuneration Committee during the process of PTT's President & CEO nomination.

b/ **Mr. Chansin Treenuchagron returned all of his remuneration paid from August 31 to December 31, 2018, to PTT in compliance with his employment agreement of President & CEO.**

In addition, The President & CEO returned to PTT all the remuneration earned from August 31 to December 31, 2018, when serving as Chairman or director (or both) in two companies in PTT Group from PTT Exploration and Production Public Company Limited for THB 1,113,562.53 and IRPC Public Company Limited for THB 541,936 in compliance with the employment agreement of President.

**Note:**

No. 8, Mr. Supot Teachavorasinskun was appointed as a director on January 18, 2018.

No. 9, Prof. Dr. Surapon Nitikraipot was appointed as a director on April 12, 2018.

No. 11, Mr. Chumpol Rimsakorn, was appointed as a director on December 21, 2018.

No. 12, Mr. Danucha Pichayanan was appointed as a director on April 12, 2018.

No. 14, Mr. Chansin Treenuchagron was appointed as a director and Secretary to the Board on August 31, 2018.

A vehicle was provided to the Chairman to facilitate his duties only.

Retired and Resigned Directors (2018)

Unit : Baht

No.	Name	Days of Service Jan - Dec 2018	Bonus 2018	Meeting Allowance (Inclusive of Monthly Allowance)	Meeting Allowance Specific Committee	Total Allowance	Total Remuneration
1.	Mr. Piyasvasti Amranand	191	1,962,328.77	674,596.77	-	674,596.77	2,636,925.54
2.	Mr. Chanvit Amatamatucharti	102	838,356.16	302,000.00	78,000.00	380,000.00	1,218,356.16
3.	Mr. Somkit Lertpaitoon	102	838,356.16	302,000.00	24,000.00	326,000.00	1,164,356.16
4.	Mr. Somchai Sujjapongse <sup>a/</sup>	120	986,301.37	220,000.00	96,000.00	316,000.00	1,302,301.37
5.	Mr. Tevin Vongvanich <sup>b/</sup>	242	1,989,041.10	639,032.26	-	639,032.26	2,628,073.36
6.	Mr. Krisada Chinavicharana	182	1,495,890.41	479,000.00	24,000.00	503,000.00	1,998,890.41
7.	AM Boonsuib Prasit <sup>a/</sup>	356	2,926,027.40	951,290.32	228,000.00	1,179,290.32	4,105,317.72
Total			11,036,301.37	3,567,919.35	450,000.00	4,017,919.35	15,054,220.72

a/ Includes the meeting allowance of Nominating Committee and Remuneration Committee during the process of PTT's President & CEO nomination.

b/ **Mr. Tevin Vongvanich returned all of his remuneration to PTT in compliance with his employment agreement of President & CEO.**

In addition, he returned to PTT all the remuneration in 2018 when serving as Chairman or director (or both) in two companies in PTT Group: PTT Exploration and Production Public Company Limited for THB 2,374,115.83 and IRPC Public Company Limited for THB 3,918,552 under the terms of his employment agreement.

**Note:**

No. 1, Mr. Piyasvasti Amranand was appointed as a director on July 1, 2014, and retired from the directorship of PTT due to his completion of sixty five years of age with effect from July 11, 2018.

No. 2, Mr. Chanvit Amatamatucharti was appointed as a director on September 4, 2014, and completed his term on April 12, 2018

No. 3, Mr. Somkit Lertpaitoon was appointed as a director on February 27, 2017, and retired with effect from April 12, 2018.

No. 4, Mr. Somchai Sujjapongse was appointed as a director on November 1, 2015, and resigned with effect from May 1, 2018.

No. 5, Mr. Tevin Vongvanich was appointed as a director and secretary to the Board on September 10, 2015, and completed his term as President & CEO under his employment agreement with effect from August 31, 2018.

No. 6, Mr. Krisada Chinavicharana was appointed as a director on June 1, 2018, and resigned with effect from November 30, 2018.

No. 7, AM Boonsuib Prasit was appointed as a director on September 4, 2014, and retired from the directorship of PTT due to his completion of sixty five years of age with effect from December 23, 2018.

Directors’ Remuneration Profile of 2015 - 2018

Unit: Baht

Remuneration	2015		2016		2017		2018	
	Person	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Meeting Allowance	15	18,232,411.29	15	15,883,015.57	15	17,319,925.12	15	17,241,903.21
Bonuses	15	9,664,610.82	15	41,717,213.11	15	45,215,753.42	15	45,125,342.45
Total		27,897,022.11		57,600,228.68		62,535,678.54		62,367,245.66

**Note:**  
2015, 2016, 2017 and 2018 Directors’ remuneration as shown in the table including the remuneration of Mr. Tevin Vongvanich and Mr. Chansin Treenuchagron which already returned to PTT.

Remuneration to Independent Directors Serving as Independent Directors of Subsidiaries\* in 2018

Remuneration to those serving as independent directors of PTT Global Chemical Plc (PTTGC):

Unit: Baht

Name	Director's Remuneration		Committee Meeting Allowance	Total Remuneration
	Bonus	Meeting Allowance and Monthly Allowance		
Mr. Don Wasantapruek	3,278,688.52	990,000.00	80,000.00	4,348,688.52

\* According to the new International Financial Reporting Standards.

Management’s Remuneration

Management’s Remuneration

The Board defined the policy and criteria regarding management's remuneration to correspond to PTT performance under the Performance Agreement (PA), the assessment system of state enterprises stipulated by the Ministry of Finance. The President & CEO, all executives and management jointly defined KPIs as business operation directions and in assessing the President & CEO, executives and management. The Remuneration Committee decided the remuneration of the President & CEO, which reflected performance management, taking into account practices and standards of leading companies with similar businesses. Three criteria used in the performance assessment were PTT's performance, management capacity and leadership, and performance outcomes under the vision. The decisions on both criteria and the final amount of compensation are subject to the Board approval.

According to SEC’s definition, PTT’s “Management” included the President & CEO; Chief Operating Officer, Upstream Petroleum & Gas Business Group; Chief Operating Officer, Downstream Petroleum Business Group; Chief Technology and Engineering Officer; and Chief Financial Officer. The compensation paid to the management (excluded those seconded to PTT affiliates and those from PTT affiliates seconded to PTT) are detailed below:

Total Remuneration Paid to Top Management (excluding President & CEO) in 2018

Unit: Baht

Remuneration	2018				
	President & CEO*	Management (under SEC criteria)		Total	
		Person	Baht	Persons (incl. President & CEO)	Baht
Salary	34,754,000	4	28,176,910	5	62,930,910
Bonus	10,716,399	4	13,956,069	5	24,672,468
Total	45,470,399		42,132,979		87,603,378

**Note:**

- \* - The remuneration of Mr. Tevin Vongvanich, as appointed the President & CEO during 1 January - 30 August 2018, and Mr. Chansin Treenuchagron as appointed the President & CEO during 31 August - 31 December 2018.
- The salary of the President & CEO for Mr. Tevin Vongvanich and Mr. Chansin Treenuchagron includes an allowance for additional tasks, namely holding the position of Chairman of the Board or Directors (or both) of PTT’s subsidiaries. They have already returned PTT their remuneration earned as Chairman of the Board or Directors (or both) of PTT, PTTEP, and IRPC under the terms of their employment agreements.



## Total Remuneration Paid to the Management from 2015 to 2018

Unit: Baht

Remuneration	2015		2016		2017		2018	
	Person	Baht	Person	Baht	Person	Baht	Person	Baht
Salary	5	51,686,336.00	5	56,614,080	5	59,587,470	5	62,930,910
Bonus	5	17,158,259.00	5	22,617,040	5	22,880,880	5	24,672,468
Total		68,844,595.00		79,231,120		82,468,350		87,603,378

## Provident Fund Contribution to the Management from 2015 to 2018

Unit: Baht

Remuneration	2015		2016		2017		2018	
	Person	Baht	Person	Baht	Person	Baht	Person	Baht
Provident Fund	4	5,086,634.00	4	3,518,977.20	4	3,632,300.50	4	3,708,690.50

Additional Information on the Board and the management:

Records have shown no violation of the law within the past 10 years regarding:

- 1) Being sentenced for criminal charges except for violations of traffic laws, petty charges, or similar charges.
- 2) Being sentenced to bankruptcy or having assets controlled.
- 3) Serving as an executive or an authority in a company or partnership sentenced to bankruptcy or whose assets are controlled.

## Employees

To PTT, Employees are the most important asset for our business, and their quality is key to its business success. PTT concentrates on the development of HR management systems compatible with technological advancement and international standards. It not only promotes both conscientious merit and business competence for its employees, but also encourages them to actively take part in public service. It is indeed through employees that PTT focuses on its development toward a sustainability organization to elevate competitiveness, respond to internal changes of a corporation in pursuit of national energy security.

## Headcount and Compensation

PTT employee headcount (including those seconded to PTT's affiliates) as of December 31, 2018, stood at 3,715. PTT has continued to set its manpower plan in line with its operations under uncertain economic conditions. The focus is on allocating resources where significant value supplementation is likely or where continuing investment is needed.

The business-group headcounts from 2015 to 2018 are as follows:

Business Unit (Unit : person)	2015		2016		2017		2018	
	PTT	PTT Group	PTT	PTT Group	PTT	PTT Group	PTT	PTT Group
1. Gas	1,289	-	1,283	-	1,281	-	1,393	-
2. Oil	1,465	-	1,440	-	1,486	-	1,393 <sup>3/</sup>	-
3. Petrochemicals and Refining	83	-	105	-	100	-	144	-
4. Technology and Engineering	342	-	492	-	507	-	380	-
5. Support staff/ secondees to PTT affiliates	1,203 <sup>1/</sup>	278 <sup>2/</sup>	1,042 <sup>1/</sup>	254 <sup>2/</sup>	1,084 <sup>1/</sup>	239 <sup>2/</sup>	1,144	654 <sup>2/</sup>
6. Subsidiaries and jointly-controlled entities	-	24,512	-	24,680	-	25,036	-	25,959
Total	4,382	24,790	4,362	24,934	4,458	25,275	3,061	26,613

**Notes:**

1/ Excluding PTT secondees

2/ PTT secondees

3/ On July 1, 2018, the Oil Business Unit was restructured to assign PTT Oil and Retail Business Plc. (PTTOR), along with its 1,046 employees, who were transferred under the new company; 492 other employees were seconded to it.

## Remuneration for Personnel (excluding the President &amp; CEO and the management) from 2015 to 2018

Unit : Baht

Remuneration	2015	2016	2017	2018 <sup>1/</sup>
Salary	4,000,980,185.00	4,080,267,146.00	4,282,921,717.48	4,104,427,784.01
Bonus	1,647,437,327.00	2,136,905,643.00	2,115,503,048.90	1,980,862,083.68
Provident Fund	468,316,181.00	481,014,787.00	506,518,662.19	489,326,712.01
Others (if applicable)	2,676,017,663.00	2,953,091,552.00	3,778,463,866.70	3,286,987,468.56
Total	8,792,751,356.00	9,651,279,128.00	10,683,407,295.27	9,861,604,048.26

**Note:**

1/ From July 1, 2018, the Oil Business Unit was restructured and became PTT Oil and Retail Business Plc. (PTTOR). Therefore, remuneration for personnel in the business unit for 2018 was only for January - June 2018.

## Other Remuneration

PTT has instituted employee welfare and other compensation programs apart from salary, bonus, and provident fund contribution for the management and all employees. This is to keep with economic conditions, the cost of living, and other standards for peer companies and with PTT’s current and future performance, through constant revision and improvement. For example, contribution to the provident fund has been increased, and more choices are available for employees fund contribution to promote employees’ financial planning and preparation for retirement.

## HR System Development and Improvement

To become a sustainability organization, PTT continues to develop and improve its processes and mechanisms for HR management to ensure higher efficiency and realize the full potential of its employees, which will lead PTT toward its goals. PTT employees are able to fully demonstrate their competence, advance in their careers, and continue to grow with PTT.

PTT has focused on participation across the board in designing business plans to suit its direction and targets, since this will efficiently align all components of PTT. To this end, it has instituted a process in which the senior management of PTT and its affiliates along with support staff jointly define a vision and directions before propagating the agreed items for other units to apply in turning business strategies into business plans and budget plans in broad alignment. All PTT employees defined individual objectives and KPIs cascaded through the ranks from the corporate, department, to the individual levels. Such objectives and indicators defined by employees then serve as a framework for performance and performance assessment standards to reflect individual performance.

PTT has applied Career Management guidelines to prepare and promote the management and all employees with skills and knowledge to fit the PTT-designed model in coping with its missions and creating value for the organization. PTT has applied this model to the management and development of all its employees and, taking into account business direction to enhance corporate competitiveness, has divided them into two professional groups (senior management and employees), with clear, efficient interconnected systems for recruitment, assessment, and individual development planning (IDP) in place.

- Senior management (equivalent to vice presidents upward) undergoes Group Leader Development, which sustains the needs of high-level executives in both quantity and quality. Management of this group is supervised by a panel of CEOs in PTT Group called the “PTT Group Management Committee (PTTGMC)”, responsible for defining directions and policies for development plans for senior management. Another team, called “Human Resources Group Alignment & Coordination Management Committee (HRAC)”, provides counseling and recommendations to the Senior Executive Vice President, Human Resources & Organization Excellence, to enhance decision-making on key coordination issues regarding human resource development strategies and directions of the PTT Group to align with those of PTT.

- Employees (division manager or equivalent downward): This internal management is specific to PTT or a PTT Group companies in developing employees to suit future operational needs. For PTT, a Corporate Human Resources Committee (HRC) was established to promote and monitor career development planning to ensure goal achievement. A Career Counseling Teams (CCT) for 16 professional groups takes charge of defining and developing individuals, providing counseling and guidance, and monitoring and following up implementation. The individual development plan is a tool for employees to set their goals and develop their career paths and add value to their work in line with PTT’s directions and goals. Such employee development can be undertaken through proper training via success profiles or job rotation in line with their career paths. This will enable all employees to develop skills in their new positions, as do suitable appointments and promotions in line with their responsibilities and potential. With this development framework, employees will be qualified to assume top management positions of PTT Group and enable PTT to achieve its goals.

- To ensure that the policy defined and HR management align with and support the business directions of PTT Group, the Human Resources Management Committee (HRMC), appointed to define and propose policies and make decisions on HR management, provide recommendation on the preparedness and development of PTT’s current as well as future executives and employees, screen and give recommendations on the corporate structure and manpower, and approve or screen matters on HR management under the authority assigned.

Apart from implementing HR development under the above-mentioned guidelines, PTT takes environmental issues seriously and held environmental training courses for related employees and interested parties to enhance their awareness. In 2018 the following courses were conducted:

No.	Name of the business event	Start date	End date	Location	Attendees
1.	SSHE Training 1	2/2/2018	12/3/2018	Head Office	222
2.	Basic Safety, Occupational Health and Environment	27/8/2018	23/11/2018	Head Office	41
3.	Collecting and Reporting Data on Environmental Performance for Those who Collect and Report Data (Bangkok)	25/4/2018	26/4/2018	Head Office	3
4.	Consideration and Approval of the Data on Environmental Performance for Employees	25/4/2018	26/4/2018	Head Office	12
5.	Consideration and Approval of the Data on Environmental Performance for Management (Bangkok)	27/4/2018	27/4/2018	Head Office	4
6.	Introduction & Internal auditor ISO14001:2015	12/3/2018	21/9/2018	Head Office	88
7.	Collecting and Reporting Data on environmental cost, income and investment (EMA BKK)	29/1/2018	18/6/2018	Head Office	78
8.	Collecting and Reporting Data on environmental cost, income and investment (EMA Chonburi)	22/1/2018	25/6/2018	Chonburi Gas Pipeline Operation Center	16
Total					464



In 2018 PTT held the fifth “Young People to Globalization (YP2G)” program to develop qualified personnel for new key projects and overseas posting in line with PTT’s strategies. These personnel will be assigned challenging responsibilities through the four core functions: Strategy & Planning, Business Development, Commercial & Marketing, and Engineering & Operation, which will enable them to learn and accrue experience in business acumen through on-the-job training (OJT).

Valuing career and competency management, PTT not only prepared and reviewed the success profile and career path of each position, but also assessed success profiles for alignment with the performance cycle. The employees were urged to discuss their responsibilities with their supervisors (two-way communication) at the beginning of the year. These responsibilities were monitored and evaluated at mid-year and the end of the year to monitor or formulate individual development plans (IDPs), or both, for the employees.

PTT Group encourages and supports employees’ learning through “PTT Leadership and Learning Institute (PLLI), whose vision is to be the top energy leadership development institution in ASEAN in 2020, with goals in establishing standards in capacity-building of employees through the management and implementation of compulsory courses for all PTT employees in the same direction.

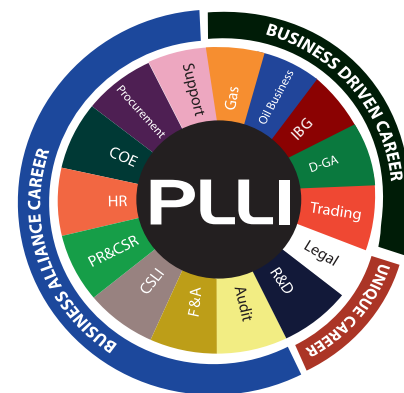
PLLI has continually provided capacity-building courses for the management and employees to be “smart and conscientious”, leadership development grooming for organization’s growth, and staff capacity-building to prepare them for corporate core competencies and strategic challenges. It has upgraded its learning and development course structure by applying new digital learning tools and media to support business direction and strategies and maximize the development of employees’ capacity and modern management. PLLI’s course structure covers the development of all employees, from the new recruits to top management, as follows:

1. Leadership Development Program to prepare and accelerate the development of PTT’s high-potential management team members to have skill, knowledge and ability in people and business management. The program concentrated on leadership, in views of self, staff, and organization through learning, knowledge-sharing and experience-sharing with world-class instructors, including learning and experience sharing of top management, internal and external.

2. Core Programs are designed to develop the capacity of all employees at each level and position. The supervisor must support the employee for training in this program. The program comprises compulsory courses, direction/ assignment, and essential program (personal wellness).

3. Functional Programs are specific courses for each professional/ group that develop the employees in each line position, from the beginners to experts. PLLI in collaboration with the Functional Academy, established by PTT, conducts this course to systematically develop corporate knowledge and encourage each unit line position to share knowledge and experience within their line position.

4. Elective Program is designed to develop the capacity of each individual needs. The line supervisor and employee will together choose the additional courses as suitable and necessary, for example, English and Presentation courses.



## Summary of Human Resource Development

Hour/person/year					
Training hours/ person/ year	2014	2015	2016	2017	2018
Employee	35.24	55.11	68.40	40.62	73.67
Management	22.61	30.02	20.91	25.12	73.91

Baht/person/year					
Expense/ person/ year	2014	2015	2016	2017	2018
Employee & Management	55,435.37	34,476.36	35,168.35	37,837.83	55,274.35

## Fostering Positive Relations between the Management and Staff in Search of the Same Goal

Communication between the management and staff at PTT comes in various forms. Needing to be aware of corporate business, obstacles, and potential repercussions, all employees should be allowed to share their views and take part in business efficiency improvement. Each year, besides the monthly labor relations committee meetings, PTT holds Joint Consultation Committee (JCC) meetings between its management team and staff of regional offices nationwide. In addition, the President & CEO not only constantly holds regular meetings with employees, but also annually surveys employees’ satisfaction and engagement for views and suggestions for improvement. PTT believes that proper communication and information exchange among all staff and management will produce smooth relationships and cooperation, thus driving the organization toward goal achievement. Moreover, PTT surveys the basic human resource needs of the management and staff through the operation of various committees, such as the Human Resource Management Committee, PTT Labor Relations Committee, and Career Path Management Committee. A survey of staff opinions was undertaken by an external human resource management adviser. There was also cooperation with PTT Group to jointly develop a database of the management as well as development plans of senior management.

## PTT Group Core Values

### PTT Group Core Values

PTT Group defined the PTT Group core values as SPIRIT, which is significant in molding PTT management and employees to possess work behavior in the same direction, clearly reflecting PTT’s identity of smart, conscientious and responsible for society, communities and the nation.

Advanced digital technologies have resulted in very challenging changes. The new business models has changed the way of business conduct, and PTT employees must adapt themselves to keep up with the world situation and apply PTT Group core values (SPIRIT) to expand their ideas and behavior in relation to digital technology, to accept and learn about it and apply it in performing their work to the maximum efficiency, performance and to move with technology and innovation drive.



## HPO

- Energy security
- Economic prosperity
- National sustainable growth
  - Knowledge management
  - Technology and innovation research and development

## CSR

- Create common value for society and business alike under the concept of social enterprise
- Drive society and move forward together through CSR activities
  - Human resource development
  - Social and community development
  - Natural resources and environmental conservation

## CG

- Manage the organization transparently
- Form an anti-corruption network with every sector
- Create trust and be responsive to stakeholders' expectations with balanced interest

## Succession Planning

Because PTT is a state enterprise, the processes of nomination and appointment of the President & CEO must follow the Standard Qualifications of Directors and State Enterprise Officer Act. Directors must possess the qualifications as specified in Article 8 ter and the nominating procedures as specified in Article 8 quarter. The Board is to appoint a Nominating Committee, with five members duly qualified and without prohibitions under the law, which nominates persons with appropriate knowledge, capability, and experience to fill the positions of PTT management. Candidates must be legitimately qualified and without prohibitions under the laws and are not PTT directors, except for management team members who are directors by title. They must not be older than 58 years old on the date of application submission. When the Nominating Committee selects appropriate candidates, it submits the results to the authority. The appointment must be completed within one year from the day the incumbent vacates the position. Each employment contract lasts up to four years for each term. If the Board

wishes to hire a previous management team member after the completion of his term as specified in the hiring contract, it does not have to go through the nominating process, but it cannot hire the person for more than two consecutive terms. In 2018 the Board proceeded with the nomination of the new President to replace Mr. Tevin Vongvanich, who completed his term on August 31, 2018. The Nominating Committee was appointed as required by the Standard Qualifications for State Enterprise Directors and Officials Act. There are five candidates applied for the position, consisting of four PTT management personnel and one non-PTT management person. The nominating process was transparently conducted in compliance with Section 8, paragraph 3, of the above-mentioned act of B.E. 2518 and its amendments. The Nominating Committee proposed a qualified candidate, Mr. Chansin Treenuchagron, to the Board for consideration. On March 16, 2018, the Board approved the Committee's proposal and appointed Mr. Chansin Treenuchagron as President & CEO, replacing Mr. Tevin Vongvanich. Mr. Chansin Treenuchagron assumed office on August 31, 2018, and his term will be completed in a year and eight months from the date of appointment since Mr. Chansin Treenuchagron will turn 60 on May 12, 2020.

PTT has been grooming top management to become qualified candidates for the next President's nomination. It has also prepared successors to replace the retiring top management from 2018 to 2022. Furthermore, PTT lays out a policy/direction to develop PTT Group's top management, and formulates the IDPs by preparing a management pool consisting of 268 management personnel and a potential pool in key areas.

In 2007, PTT set up a Group Leader Development Program (GLDP) to develop a succession plan for potential leaders to assume higher positions that become vacant, namely:

- President
- Senior Executive Vice President (SEVP) or equivalent
- Executive Vice President (EVP) or equivalent
- Vice President (VP) or equivalent.

Core responsible management parties and units are as follows:

- PTT Group Management Committee (PTTGMC)
- PTT Group Management Committee-Minor (PTTGMC-Minor)
- Human Resources Group Alignment & Coordination Management Committee (HRAC)
- Human Resources Management Committee (HRMC)
- Corporate Human Resources Committee (HRC).

## Performance in 2018

- Selection of SEVP pool members from EVPs (PTT Group)
  - 34 pool members (as of December 31, 2018)
  - 36 pool members already promoted (2008 - 2018)
- Selection of EVP pool members from VPs (PTT Group)
  - 113 pool members (as of December 31, 2018)
  - 65 pool members already promoted (2009 - 2018)
- Selection of VP pool members from PTT division managers (PTT)
  - 121 pool members (as of December 31, 2018)
  - 192 pool members already promoted (2009 - 2018).

## Labor Disputes

No reports of PTT labor disputes have been received over the past three years.





## Corporate Governance

### Corporate Governance Policy

PTT as the national energy company (officially a state enterprise) and a listed company on the Stock Exchange of Thailand (SET), PTT recognizes its vital mission of good management filled with transparency, establishing equitability among all stakeholders while striving to develop itself into a corporate governance (CG) role model. For it is convinced that management with CG will bring about fairness, investors' confidence, create long-term value for shareholders, boost all stakeholders' confidence, and give the corporation a most suitable, efficient, and effective management systems while enhancing its competitiveness for sustainable growth.

Ever since the privatization into PTT Plc. and distribution of its shares on SET in late 2001, the Board of Directors has valued CG as its guiding principles. The Articles of Association of PTT State: "The Company must have and implement a policy on its business ethics, including the ethics of its Board of Directors, senior executives, the management, and employees in compliance with good CG practices as its

code of conduct for the proper conduct of the organization with a high standard." PTT has issued its rules on CG in 2001 and revised them in 2014. The first CG Handbook was published in 2003 and delivered to each director, the management, and the employees to sign, acknowledge, and comply with. The handbook was revised regularly. The latest revision complied with SEC and SET's CG of listed companies as well as comments and recommendations from IOD's Corporate Governance Assessment Report, including The Organization for Economic Cooperation and Development, ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard), Dow Jones Sustainability Index (DJSI) and best practices of leading international companies. The handbook in 4<sup>th</sup> revision was renamed "Corporate Governance, Ethical Standard, and Code of Conduct Handbook (CG Handbook). Essential provisions added to the handbook which were approved by PTT Board of Directors this year are:

- Limitation of the number of state enterprises or juristic persons where each director can hold directorship so as to increase efficiency and transparency. PTT directors can hold a director position in an enterprise or a juristic person as follows:
  - 1) A maximum of three directorship in the state enterprises and/or juristic persons of which the state enterprise is a shareholder.
  - 2) A maximum of three directorship in SET listed companies, provided that the directorships under (2) do not contradict (1). Such directorships in (1) and (2) must not exceed five.
- Revision of the duties and responsibility of the Enterprise Risk Management Committee to cover stakeholder management.

PTT has integrated CG in its vision, missions, and core values as part of its sustainable growth strategy, to become a leading Thai energy company and a high-performance organization to grow its competitiveness, focus on creating shared value (CSV), and provide appropriate returns to its stakeholders on the basis of CG principles.

### Corporate Governance Policy

PTT duly reviewed its CG Policy and handbook to suit prevailing economic and social circumstances and requires all directors, the management, and employees to acknowledge it in writing and observe all policies in their work to illustrate the commitment to practical application of such policy and code of conduct to their jobs. The Board's policy on CG is as follows:

1. The Board, management, and all employees are committed to the six elements of CG: Accountability, Responsibility, Equitable Treatment, Transparency, Vision to Create Long-Term Value, and Ethics. An organization structure balances the roles of the Board, management, and shareholders.

2. Directors must perform their duties independently with full commitment, responsibility, and independence. There is a clear division of responsibilities between the Chairman and the President & CEO.

3. Playing a key role in the formulation of the corporate vision, strategies, policies, and key business plans with due regard for risk factors and suitable risk management, the Board must also ensure the credibility of PTT's accounting system, financial statements, and accounting audit.

4. Leading the rest of PTT on ethics and CG, the Board must supervise the management and solution to any conflicts of interest or related transactions.

5. The Board may appoint committees to help it screen critical issues.

6. The Board must undergo annual self-assessment to obtain a framework for its performance assessment.

7. The Board must establish a code of conduct for itself, the management, employees, and all contract employees to comply with in addition to PTT's regulations.

8. The Board must arrange for disclosure of financial and non-financial information to be carried out adequately, credibly, promptly, and fairly for all shareholders and stakeholders. To investors and the public, Corporate Communications and Investor Relations are responsible for such disclosure.

9. For fair and equitable treatment, the Board must arrange for PTT shareholders to access information through proper communication channels with PTT.

10. The Board must ensure a proper recruitment procedure for the appointment of key management personnel under a fair and transparent nomination process.

11. The Board must establish an efficient anti-corruption system to ensure that the management is aware of and values anti-corruption, as well as complying with anti-corruption measures.

PTT publicized on PTT Intranet and on its website the latest version of its "Corporate Governance, Ethical Standard, and Code of Conduct Handbook" in Thai and English for the benefit of and reference for investors and foreign interested parties together with stakeholders.

## 1. Shareholders' Rights

As the owners, the shareholders are entitled to determine. PTT's direction or decide on matters of significant impacts. Shareholders' meetings therefore serve as their key forums for the expression of views, questioning, and voting, apart from the election of directors to supervise PTT's operations on their behalf. Shareholders are entitled to attend shareholders' meetings, take adequate deliberation time, and acknowledge meeting minutes.

### 1.1 Shareholders' Meetings

PTT schedules an annual general meeting of shareholders (AGM) within four months of the annual closing date of its accounting books. For urgent matters that affect or involve shareholders' interests or involve conditions, regulations, or laws that require the shareholders' approval, however, it can call an extraordinary meeting of the shareholders.

This year, the AGM held on April 12 at the Bangkok Convention Center, 5<sup>th</sup> floor, Central Plaza Lardprao Shopping Complex, 1695 Phaholyothin Road, Chatuchak District, Bangkok. No extraordinary meeting was held this year.

### 1.2 Delivering Meeting Notices

For this year's AGM, Board Meeting No. 2/2561 (2018) of February 20, 2018, decided to call a meeting on April 12, 2018. Its decision, meeting date, and meeting agenda were disclosed in detail ahead of time by announcing on SET's website to alert shareholders before sending meeting notices. PTT assigned Thailand Securities Depository Co., Ltd. (TSD), its securities registrar, to mail the notices together with agenda details and accompanying documents, supplementary and supporting information for decision-making, opinions of the Board, complete minutes of the last meeting, the annual report, meeting documents, and proxy forms with complete instruction for shareholders more than 14 days before the meeting date. The meeting notices were sent on March 22, 2018, and three days before the meeting, the invitation was announced through one Thai and one English newspaper, each for three consecutive days (April 6 - 8, 2018), to allow shareholders enough time to prepare themselves for the meeting.

The AGM meeting notice and supporting documents were made available at PTT's website (<http://www.pttplc.com>) 30 days before the meeting date (starting March 12,2018).

### 1.3 On the Meeting Date

Before the meeting, the Chairman of the meeting introduced the directors, the management, the external auditor, and the legal adviser who served as a neutral party. The Chairman then elaborated on the voting and vote counting for individual agenda items under PTT's Articles of Association, as well as how to vote on each agenda item. Once information had been provided on each item, the Chairman gave the floor to all attendees to give comments or recommendations and ask questions, giving adequate time for debate. The Chairman and the management answered all questions clearly and precisely, treating all questions with due respect. For the election of directors, individual votes were required.

The Chairman ensured that the meeting proceeded by the order of the agenda and did not add any item without notifying shareholders in advance, except there are at least two-third of the votes of shareholders in attendance. Alternatively, the shareholders with at least one-third of all sold shares may ask the meeting to consider other matters not mentioned in the meeting notice. At the 2018 AGM, the order of the agenda was not changed, and there was no request to consider any other matter.

At every meeting, the minutes must be completely and accurately recorded with the vote tally on each applicable agenda item. As a rule, a shareholders' meeting lasts 3-4 hours. The 2018 AGM began at 2.00 p..m., with registration beginning at 12 noon. At the meeting's opening, a total of 4,831 shareholders registered, of whom 1,964 were shareholders and 2,867 were proxy holders, holding a total of 2,279,542,475 shares, or 79.81% of the total shares, which exceeded one-third of all PTT's sold shares of 2,856,299,625, with the following attendees:

## Board of Directors

1. Mr. Piyasvasti Amranand	Chairman/ Independent Director
2. Prof. Dr. Kittipong Kittayarak	Independent Director/ Chairman of the Audit Committee
3. AM Boonsuib Prasit	Independent Director/ Chairman of the Nominating Committee
4. Gen. Chatchalerm Chalernsukh	Independent Director/ Chairman of the Corporate Governance Committee
5. Mr. Vichai Assarasakorn	Independent Director/ Chairman of the Remuneration Committee/ Member of the Audit Committee
6. Mr. Chanvit Amatamatucharti	Independent Director/ Member of the Nominating Committee/ Chairman of the Enterprise Risk Management Committee
7. Ms. Nuntawan Sakuntanaga	Independent Director/ Member of the Audit Committee
8. Mr. Thon Thamrongnawasawat	Independent Director/ Member of the Nominating Committee/ Member of the Corporate Governance Committee
9. Mr. Supot Teachavorasinskun	Independent Director
10. Mr. Somsak Chotrattanasiri	Independent Director/ Member of the Remuneration Committee
11. Mr. Don Wasantapruek	Independent Director/ Member of the Corporate Governance Committee
12. Mr. Somkit Lertpaitoon	Independent Director/ Member of the Enterprise Risk Management Committee
13. Mr. Thammayot Srichuai	Director/ Member of the Enterprise Risk Management Committee
14. Mr. Tevin Vongvanich	Director and Secretary to the Board/ President & CEO

Mr. Somchai Sujjapongse, director, absence due to overseas trips and official engagement.

## Executives

1. Mr. Wirat Uanarumit	Chief Operating Officer, Upstream Petroleum & Gas Business Group
2. Mr. Auttapol Rerkpiboon	Chief Operating Officer, Downstream Petroleum Business Group, and Acting Senior Executive Vice President, Downstream Business Group Alignment
3. Mrs. Nitima Thepvanangkul	Chief Financial Officer
4. Mr. Chansin Treenuchagron	Chief Technology and Engineering Officer, who was appointed by the Board to President and CEO with effect from August 31, 2018.

Also in attendance were senior executive vice presidents, executive vice presidents, and executives from PTT Group at the front of the stage, ready to address queries and provide information for relevant questions. Independent directors also served as proxies for minor shareholders.



External Auditors

1. Ms. Mayuree Chanthamat	State Audit Office of the Kingdom of Thailand
2. Ms. Phakawan Sueblao	State Audit Office of the Kingdom of Thailand
3. Ms. Jirawat Pruksasuay	State Audit Office of the Kingdom of Thailand

Legal Advisers (to proctor balloting in case of disputes during the meeting)

1. Mrs. Veeranuch Thammavaranucupt	Weerawong, Chinnavat & Partners Ltd.
2. Mr. Panuwat Chalongkuamdee	Weerawong, Chinnavat & Partners Ltd.
3. Ms. Thitawan Thanasombatpaisarn	Weerawong, Chinnavat & Partners Ltd.
4. Mr. Anurag Ramanat	Anurag Ramanat International Legal Counsellor Ltd.
5. Ms. Natthita Thanikkul	Anurag Ramanat International Legal Counsellor Ltd.

Number of shareholders (at the meeting’s conclusion at 05.30 p.m.)

A total of 5,294 shareholders registered, of whom 2,240 were shareholders and 3,054 were proxy holders, commanding a total of 2,345,908,068 shares or 82.13% of the total sold shares.

1.4 Practical Guidelines for Reporting Conflicts of Interest

As specified by PTT CG Handbook, all directors, the management, and employees must prepare reports on conflicts of interest, consisting of annual reporting forms and a new interim reporting format in case of changes. At a given meeting, those with vested interests or conflicts of interest with PTT must inform the meeting to excuse themselves and abstain from voting on each connected matter.

At the shareholders’ meetings, any director with vested interests or involvement on any agenda item must inform the meeting to excuse themselves and abstain from voting on each applicable agenda item.

1.5 Disclosure of Shareholders’ Meeting Outcomes

For the 2018 AGM, PTT submitted a summary of AGM resolutions to SET and SEC at the end of the day after the meeting (April 12, 2018). It also submitted the minutes of the shareholders’ meeting (each agenda clearly separated indicated number of directors in attendance/absence, questions raised by shareholders and answers from directors, together with the voting tallies of each agenda item) to SET and SEC within 14 days after the meeting. Meeting information, video-recording, photos, and audio-recording are accessible through PTT’s website.

2. Equitable Treatment of Shareholders

PTT treats all shareholders fairly despite different shareholding proportions and corresponding voting power. Shareholders’ fundamental rights are conserved regardless of their gender, age, race, nationality, religion, belief, social status, physical impairment, or political inclination. At the AGM, seats at the most convenient spots were reserved for the elderly, the handicapped, and pregnant women, with officers attending to their needs. Information on the shareholders’ meeting was announced ahead of the meeting in Thai and English. Directors with vested interests in any agenda item must excuse themselves from the meeting on that item. All shareholders have equal rights to take part in PTT’s activities.

2.1 Proposing Additional Meeting Agenda Items and Nominating Directors

To enable minor shareholders to take part in business operations and auditing, for the 2018 AGM, PTT has defined the criteria and consideration process for entitling them to propose meeting agenda items or nominate directors in advance, or both, so as to deliberate agenda items that could prove useful to PTT, including the selection of qualified directors to perform their duties efficiently in the best interests of PTT, the shareholders, and the stakeholders. In practice, shareholders with a combined holding of at least 5% of the total eligible votes or at least 100,000 shares held uninterrupted for at least one year could propose agenda items or nominate directors before the AGM from September to November of the previous year, in case the nomination of directors might need the approval of the State Enterprise Policy Office (SEPO), as required by the regulation of The Prime Minister’s Office on State Enterprise Policy and Monitoring B.E. 2557 (2014).

For this year’s AGM, PTT posted such criteria on its website and an announcement on SET’s website from September 1, 2017, to November 30, 2017. However, this attracted no recommendation of such agenda items or nomination of directors, and the Corporate Secretary duly informed the Board meeting on the matter.

2.2 Facilitating Shareholders at the Meeting

As in previous AGM meetings, at the 2018 AGM, PTT facilitated all shareholders by manning officers to welcome and take care of them, and provided adequate convenience. The meeting venue was well chosen to accommodate all shareholders and facilitate the elderly and those on wheelchairs. Back-up meeting rooms were arranged, as was a signal relay system between meeting rooms. Security precautions and emergency contingency plans were in hand. Examination of registration credentials seven days ahead of the meeting was possible. Officers provided photocopying services and verified documents. On the meeting day, registration opened two hours early and extended until the period before the last meeting agenda. A barcode system quickened registration and voting. Finally, the shareholders had access to a reception and snacks.

Since most shareholders at the AGM were Thais, it was conducted in Thai. However, for the benefit of foreign shareholders, PTT commissioned the translation of shareholders’ meetings, supplementary documents, and relevant documents into English. Its website is also bilingual. It also provided officers with a good command of English on hand at meetings to facilitate foreign shareholders. If shareholders cannot communicate in Thai but want to pose queries or discuss topics at the meetings, PTT arranges for suitable communication and provides translation into Thai for both queries and answers for the benefit of other shareholders to preserve their interests and ease communication needs for foreign shareholders.

2.3 Appointing Proxies

To maintain the rights of those who could not attend the 2018 AGM in person, they could appoint proxies or delegate their votes to any independent director in attendance on behalf of shareholders without conditions. PTT treats proxies as if they were shareholders. As a rule, 30 days ahead of each meeting, PTT discloses the proxy form, attached along with details and procedures, on its website. Shareholders may make further inquiries about this by phone or through other channels such as PTT’s website and e-mail.

### 3. Roles toward Stakeholders

As the national energy company, PTT accounts for all stakeholders' rights and interests by establishing guidelines for addressing the needs of each group in and outside the corporation, as well as its own responsibility for society and the environment. The following spells out PTT Group's missions for each group:

<b>The country:</b>	Ensuring long-term energy security by providing adequate high-quality energy supply at fair prices to support economic growth.
<b>Communities and society:</b>	Representing a corporate citizen by exercising environment stewardship of international standards and improving the quality of life for communities and society.
<b>Shareholders:</b>	Operating profitable businesses that lead to sustainable growth while generating optimal returns.
<b>Customers:</b>	Ensuring customers' satisfaction and loyalty by delivering world-class quality products and services at fair prices.
<b>Business partners:</b>	Conduct fair practices with all partners while promoting trust, relationship, and cooperation to extend business capability and increase efficiency in long-term business partnerships.
<b>Employees:</b>	Promoting professional capability-building and ensuring that employees' wellbeing is on a par with those in other leading companies in order to strengthen employee engagement.

#### 3.1 Treatment of Six Main Stakeholder Groups

##### 3.1.1 Thailand

As the national energy entity with a crucial mission to drive the country under the national strategies and the "Secure, Prosperous, and Sustainable" Thailand vision, PTT is tasked with a mission to achieve long-term energy security through procurement of energy supplies of sufficient volumes, standard quality, and at fair prices to promote economic growth.

PTT's operating directions and strategies in line with the Thailand 4.0 national strategy, Ministry of Energy policy, and state enterprise strategies have resulted in the following roles.

1) Energy Security: PTT leverages its investment budget to relentlessly develop energy infrastructure to accommodate rising energy consumption, including natural gas transmission systems, LNG-receiving terminals, LPG import facilities, oil terminals, service stations, and the battery and power businesses. In sourcing energy supplies to meet domestic demand, PTT executes risk management plans for those from various sources of supply to ensure adequate volumes, quality, and standards, including sourcing of domestic natural gas imports LNG (Liquefied Natural Gas) from neighboring countries.

2) Economy: PTT procures energy at suitable prices for business competitiveness; energy efficiency improvement; and value added to petroleum through gas separation plants (GSPs), oil refineries, and the petrochemical business. These have created continuous businesses development and promoted the application of technologies to improve efficiency and develop the caliber of operators throughout the business chains—all designed to strengthen and grow the digital economy. In addition, PTT is a key alliance of the public sector in driving the Thailand 4.0 Policy by jointly developing infrastructure and a platform for research and innovation to support Eastern Economic Corridor of Innovation (EECI).

3) Sustainability: PTT applied the inclusive business concept to the development of the community enterprise project, which creates value for agricultural produce of communities, with marketing channels for product distribution. Besides, PTT supported disabled person in the "Amazon for Chance" project and cooperated with the public sector in other Pracharath projects, such as safe driving. For environmental stewardship, PTT is committed to creating security, safety, health, and a sound environment in all operating areas and to supporting investment in R&D of green energy, green products and services, including the value-chain operations that align with sustainable development goals (SDGs). Moreover, PTT joined forces with other companies in PTT Group and set targets and operating actions to lessen greenhouse gas (GHG) emissions to halt global warming.

##### 3.1.2 Society and Communities

PTT is committed to supporting sustainable growth for the Thai society ("Sustainable Growth for All") by adhering to SDGs of the United Nations as guidelines for social development endeavor. Mainly, the focus is on **people development (People)** so that they may possess sufficient skills to live in the 21st century through promoting innovative learning in and outside classrooms and developing their skills so as to upgrade their quality of living to self-reliance. In addition, PTT supported the conservation and **restoration of natural resources and environment (Planet)** by raising the awareness of and cooperation in the conservation of nature and the ecosystem and form networking in environmental restoration, on land and offshore. This included the continual reforestation of 1 million rai for rich forest and reduction of impacts from climate change.

Details about these sustainable efforts are illustrated under "Extending the energy mission, inspiration for sustainability" in the 2018 Annual Report and the 2018 Corporate Sustainability Report.

##### 3.1.3 Shareholders

The Sustainable Growth Strategy applied in PTT management to achieve a high-performance organization (HPO) based on Corporate Governance (CG) in tandem with Corporate Social Responsibility (CSR) to ensure investors that PTT provides sound investment returns and is sustainable, apart from being a part of Thai society in the future.

##### Investors' Activities

Since 2006, PTT has arranged ongoing trips for minor investors to visit its operation, update information, and meet the management as well as participating in PTT's CSR activities in Rayong.

In 2018, PTT organized these activities on October 30 – 31, by mailing letters of invitation and response forms to all shareholders whose names appeared on the share roster on the date of closing of its registration to suspend share transfer for the 2018 AGM attendance (March 7, 2018). Interested shareholders were asked to notify PTT of their interest in the visit. But due to the overwhelming interest shown by shareholders (about 2,266 persons), PTT had to draw lots to select those who won the right to visit, as done in past years. Witnessing the draw on September 18 were the Corporate Governance Committee, executives and CG taskforce members. The winners' names were posted on PTT's website. PTT notified the winners by phone to confirm their acceptance. This activity involved 300 shareholders' visits (two groups of 150 persons each) to the Kamnoetvidya Science Academy (KVIS), Vidyasirimedhi Institute of Science and Technology (VISTEC), and Wang Chan Forest Learning Center, Amphoe Wang Chan, Rayong, to hear a presentation about their operations. PTT will apply shareholders' recommendations to the improvement of its work next year.

Those interested in visiting PTT's sites can follow project updates and details on PTT's website. PTT reserves the rights to invite only those that have never taken part in this activity.

##### Activities for Debenture Holders

Since 2010, PTT has staged ongoing debenture holders' activities to serve as a channel for maintaining cordial relations with them and repay them for the confidence in PTT bonds over the long term. In 2018, the activities were diverse to meet the needs of debenture holders, who numbered over 22,500, including:

- The "happiness" quarterly journal, which communicates corporate data, provides energy knowledge, and interesting articles in an edutainment way
- Three visits to PTT's business operation. The first was a trip to VISTEC, KVIS, and the Wang Chan Forest Project in Rayong in March, the second to Amazon Inspiring Campus (AICA) and the Oil Business Academy (OBA) in July, and the third to the Rayong GSP in October.



- Relations activities, including seminars and workshops, particularly concerts, which consistently met with excellent responses. In 2018, PTT continued its annual concerts featuring “Love” and “Connection” between PTT and debenture holders, which are long-lasting and enables PTT to make great strides into its fourth decade with love and connection forever. In addition, CSR project – Khun Chang (baby elephant) holds your hands, was organized to aid those suffering from paralysis, weak hand muscles, or hand contraction.

PTT still plans to develop its activities to raise its efficiency and satisfaction of debenture holders, including a plan for wider access to data on activities through the webpage and e-mails to ease holders’ contacts and align with prevailing technologies.

#### Activities for Institutional Investors

In 2018, besides investors’ meetings to inform institutional investors and securities analysts about its quarterly performances, PTT organized annual company visits and meetings with its executives in January. This year’s trip was organized to PTT’s service station and Café Amazon in Phnom Penh, Cambodia, where such visitors and analysts learned about PTT’s business directions and opportunities to be involved in PTT Group’s businesses from executives first-hand.

#### 3.1.4 Customers

PTT divides its market into two portions, domestic and overseas. Its core products are natural gas products and petroleum products. These are sold to customers of the International Trading Business Unit, Oil Business Unit, Gas Business Unit, and Infrastructure and Sustainability Management Business Group, with two major groups of customers: Business to Business (B2B) and Business to Customer (B2C).

PTT listens to customers’ needs and expectations to analyze them through assorted channels, including customer visits, seminars, and opinion surveys. These provide information on competitors, state of competition and technology, customers’ behavioral trends and lifestyles, the market environment, and future needs of customers. All input is reviewed together with other information, namely situations and trends of energy economics, public policies, regulations, technological innovations, and financial and economic data for the design of products and services that match the needs and expectations of current and future customers.

Constantly, PTT developed support systems to ease customers’ transactions with it, including the e-Order, e-Billing, e-Payment, and Direct Approved systems designed to help customers search for information on getting support and engagement in transactions round the clock, efficiency improvement of the Order & Customer Relations Center through the iMind System, which links all related information centers, including e-mails, the website, and PTT Blue Card member data, so that Contact Center officers can swiftly respond to customers with accurate and timely data.

PTT also developed a service standard manual and procedure manual that are comprehensive, including a manual on PTT’s service station standard, LPG bottling, aviation fuel refueling, and Contact Center standard. In place are procedures for periodic assessment against service standards under QSHE MS, Mystery Shopper, and Mobile Lab to ensure that its personnel can regularly forge good experience for customers

PTT developed means to foster relations with customers that suit each life-cycle of customers, designed to lead to repurchase and “word of mouth” to others, which form the ultimate goal. In place is PTT satisfaction and engagement assessment in comparison with competitors via the annual satisfaction survey featuring constant query development. To this end, PTT considers the outcomes directly with customers’ purchasing behavior to allow survey outcomes to reflect current operations while extending future businesses more clearly. Customers’ dissatisfaction has been regularly compiled and analyzed, including the Contact Center and customer visits so that PTT may know trouble indicators and promptly resolve problems, preventing losses of customers or competitors’ intervention.

PTT group’s complaints by severity of impact, with defined service level agreements for different types of complaints, for which relevant units must resolve problems within given periods. All complaints must be addressed within 24 hours, and after problem resolution, an inquiry will be made to customers to determine their satisfaction with PTT’s problem-solving. At the same time, customers will learn about PTT’s long-term problem-solving plans. This ensures that customers are satisfied and will continue to buy PTT’s products and services in the future.

Constantly paying attention to customers’ convenience and safety, PTT launched projects like the PTT Tune up Project, under which free engine checks and tune-ups are given.

#### Customer Satisfaction Survey (%)

Unit: %

	Oil	Natural Gas					International Trading
		Natural Gas	Power Plant and Wholesale Market	Industry	Petroleum and Petrochemical Products	NGV	
2018 target	95.0	93.0	91.0	93.0	93.0	91.0	89.0
Satisfaction level 2018	97.0	90.6	87.8	91.2	94.4	87.4	91.0
Satisfaction level 2017	97.0	92.0	90.7	92.2	93.8	91.0	88.3
Satisfaction level 2016	95.0	89.0	89.1	89.5	92.1	88.7	85.0

#### 3.1.5 Business Partners

Since business partners are keys to business success through mutual support, PTT values and treats them fairly on the basis of fair competition and mutual respect and in good cooperation. PTT strictly complies with contracts and procurement processes, since they are vital to the determination of expenses and the quality of PTT products and services. A clear procurement procedure is in place to ensure transparency, accountability, and maximum benefit.

To achieve its resolution, PTT is committed to doing business for sustainable growth in parallel with good governance for communities, society, and the environment. It therefore values supply chain management such that it is clearly in place by developing risk management processes and mitigation of impacts from business partners’ business conduct to support the success of supply chain management. The key factors for the drive are as follows:

##### 1. Clear policy and directions

This means PTT’s policies and strategies are key factors for forging awareness among employees and society of PTT’s commitment and business directions. Therefore, in 2015 PTT issued a **PTT Group policy on procurement and sustainable business partner management**.

So that PTT’s business partners’ business conduct guidelines may be more in line with, and more suitable for, the sustainable organization management concept, the company revised the **PTT Supplier Sustainable Code of Conduct (SSCoC)** and announced its third edition on August 3, 2015, defining the contents and scope under relevant regulations and laws, together with the aspects taken seriously by PTT, consisting of four main topics:

1. Business Ethics
2. Social Responsibility
3. Safety
4. Environmental Management.

## 2. Sustainable business partner selection and management process development

To align supply chain management with corporate directions, PTT manages its business partners with due regard for ESG (Environmental, Social, and Governance/Economics) impacts. Assessing risks and impacts from the perspectives of the environment, society, and oversight of goods and services groups, PTT divides business partner management into three levels: critical, key, and manage (in order of potential severity of impacts). For those in the critical group, management actions will be more intensified than the other groups. Besides formally acknowledging the guidelines for sustainable treatment of PTT's business partners, they must respond to the Sustainability Performance Assessment Form. After self-assessment, if they fail, they will need to formulate ESG Corrective Action Plans. PTT reserves the right to audit business partners' self-assessment outcomes. This year a PTT team in conjunction with a third-party agency conducted sustainability assessment of 11 "critical" business partners. Overall, they had decent marks. A project designed to develop business partners' sustainable operation caliber was launched, under which PTT selected major business partners whose operations involved ESG for training on sustainability capability development of business partners and practices on sustainability capability self-assessment for development planning in line with PTT's policy. In addition, PTT commands a policy on green procurement conforming to the public sector. A handbook on green procurement criteria was developed, consisting of 23 groups:

1. Green vehicle leasing
2. Green computer leasing
3. Green printer leasing
4. Green scanner leasing
5. Green photocopying machine leasing
6. Green printing materials
7. Green paper purchasing
8. Green service station construction contract
9. Green building renovation contract
10. Green landscape improvement service contract
11. Green air-conditioning service contract
12. Green electricity system installment and maintenance service contract
13. Green shirt-making contract

14. Green office supply, E-catalog purchasing
15. Green drinking water purchase
16. Green housekeeping service contract
17. Construction material purchasing
18. Interior material/product purchasing
19. Electric appliances purchasing
20. Landscaping product purchasing
21. Furniture purchase
22. Advisory service contract
23. Meeting, seminar and training organizing service contract.

In addition, to illustrate PTT's "pride" action in being a transparent company, it joined public agencies in preventing and suppressing corrupt practices by signing a memorandum of cooperation on driving the prevention and suppression of corrupt practices with the Office of the National Anti-Corruption Commission (NACC), State Enterprise Policy Office, and state enterprises to ensure that the national strategy on prevention and suppression of corrupt practices, relevant measures, relevant government policies, and action plans are successfully driven to implementation in state enterprises under CG. To this end, for the provision and disclosure of information on procurement, PTT disclosed related data in compliance with an announcement of the panel on public information on the requirement that information about the outcomes of procurement deliberation of public agencies must be open to the public under Article 9 (8) of the Public Information Act of B.E. 2540 (1997). Disclosure is to be done monthly through the [www.pttplc.com](http://www.pttplc.com) website for public examination and is subject to annual assessment. This year's score for PTT was 100% on procurement information disclosure.

Since August 24, 2017, PTT has complied with the Public Sector Procurement and Materials and Supplies Administration, B.E. 2560 (2017). It therefore amended its own processes by requiring the disclosure of its annual procurement plan for interested parties to join in price bidding contests at PTT and manage their bidding readiness. Today PTT has disclosed its 2019 annual procurement plan at three channels: [www.pttplc.com](http://www.pttplc.com)., e-Government Procurement (e-GP) of the Comptroller General's Department, and bulletin boards at PTT offices.

PTT has appointed a Procurement Governance and Audit Committee to ensure transparency of procurement, both those requiring compliance with Public Sector Procurement and Material Supplies Administration laws and those direct commercial procurement requiring compliance with PTT regulations already approved by the Public Sector Procurement and Materials Supplies Commission. The committee consists of executives from procurement and legal units and the Office of Corporate Audit, with roles and responsibility to govern and audit PTT's procurement processes to ensure compliance with laws, regulations, criteria and relevant processes. Annually, the committee inspects procurement processes randomly to detect deficiencies, causes, and preventive measures. In 2018 the management was committed to the transparency organization vision. Each department was required to set KPIs for procurement compliance to ensure that such procurement is worth the value, transparent, fair, efficient, effective and auditable.

A system is now in place, called Material Receive (MR) on Web, through which user units assess business partners in assorted aspects, including quality, delivery, service, performance, SSHE, and sustainability. Initially, assessment

outcomes will be released to registered business partners for further improvement.

## 3. Capacity-building of relevant parties

Since mastery and caliber of relevant parties represent another key factor driving the success of this matter, PTT values capacity-building on procurement and management of business partners by PTT's own executives and staff in a systematic and suitable way. This is achieved through training, communication, and knowledge management (KM) so as to achieve the sustainability objectives of business partner management. In addition, PTT establishes business partners' readiness and communicates with them in parallel so that they may prepare themselves for developing their own businesses along the sustainability approach (PTT Supplier Sustainable Code of Conduct).

To promote the sharing of data and knowledge between PTT and business partners while nurturing their caliber to support PTT's success in outcomes, business continuity, and social responsibility, this year PTT staged five Supplier Relationship Management Seminars (SRMs) as follows:

Business partner group	Date (2018)
Nakhon Si Thammarat GSP's business partners	August 3
Rayong GSP's business partners	August 28
Project Engineering's business partners	September 3
Natural Gas Transmission's business partners	September 7
NGV's business partners	December 12

**At each SRM, PTT** conveyed business directions and organized activities fitting business partners. This year's topics and seminar activities were as follows:

- Business directions, vision, and missions
- Policies and procurement directions and applicable laws
- Procurement, business partner management, and sustainable organizational management
- Procurement of green products and services
- Group activities and shared activities among procurement officers and business partners involving the sharing of views for adjusting business processes for greater efficiency. As a result, business partners' needs and satisfaction increased along with cordial relations and sustainable partnership
- Workshops on ESG assessment for business partners in pursuit of genuine supply chain sustainability.



Besides, PTT launched capacity development for interested suppliers, adhering to green industry criteria of the Industrial Works Department to enable them to operate their businesses sustainably and conforming to public policy, creating good image of their own. During 2017-2018 there were 33 suppliers participating, of which 11 potential suppliers were selected by PTT to join the pilot project, which proved successful.

PTT requires price bidders to strictly conform to the rules of work safety and handling of tools, as well as other regulations, particularly the types of work affecting health, safety and the surroundings. PTT visits business partners' sites to assess their capabilities, particularly those on the QSHE side. In addition, business partners' employees must undergo the do's and don'ts on PTT's sites in addition to conforming to the requirements for entering sites to work, as described for each.

A **PTT Approved Vendor List (PTT AVL)** is prepared for the benefit of procurement through bidding to ensure that, under the process to determine business groups and procedures or methods of selecting business partners to register for PTT AVL, business partners are efficient and deliver products/services that meet PTT's requirements and foster sustainable partnership with PTT. This year the PTT AVL consisted of 232 companies from 17 business groups.

To ensure efficient preparation of PTT AVL, the company considers criteria, conditions, qualifications of business partners who apply to PTT AVL in each business group. The initial qualifications of the business partners must meet the following requirements:

1. Business partners must not have abandoned the work of PTT, the government sector, state enterprises, and government agencies.
2. If business partners were removed from the Vendor List, they have no right to apply for registration in that particular business group for three years. An exception applies if the removal was the result of abandoning the work of PTT, state enterprises, and public agencies, in which case PTT will not accept them to PTT AVL until PTT receives a letter proving the cancellation of such removal.
3. Business partners must understand and acknowledge PTT Suppliers' Sustainable Code of Conduct (SSCoC).

Apart from these initial criteria, PTT assesses business partners' operations and sustainable implementation in parallel.

After business partners deliver products/services in each allotment, PTT will assess them and notify them of the strengths/improvements to be made in operations for future supplier development.

Moreover, PTT supports Thai suppliers of goods and services and gives them the top priority. Past procurement information reveals that, PTT has procured more than 90% of local products, generating cash flow in the Thai economic system, promoting procurement of products from the areas where PTT sites are located, as well as promoting jobs and generating income for people in the communities.

### 3.1.6 Employees

*(The information on employees is reported under Management Structure/Employees).*

## 3.2 Respect for Universal Human Rights Principles

PTT requires that all its directors, the management, and employees comply with laws, customs, and cultures which differ in each country where PTT invests and strictly respect universal human rights principles under the Universal Declaration of Human Rights. This is the minimum requirement of PTT's business operations.

In 2017, to ensure complete and proper compliance by PTT with laws and regulations, PTT established a Compliance Department under the Office of Corporate Legal to compile laws and regulations, assess risks, support corporate units in proceeding with defined approaches, monitor and inspect, and report on compliance outcomes to the top management and relevant committees.

With the rollout of the human rights management system since 2017, PTT has reviewed risk aspects on human rights covering the business operations of 73 group companies in 29 countries. What the group found were aspects that represented core operational risks: risk of forced labor, unsafe work conditions, community health and safety, and human rights management in supply chains. Each site with risk aspects then mapped out control measures and work plans on human rights, keeping human rights risks of PTT Group manageable.

As assurance of maximum effectiveness, implementation of such plans is to be monitored every quarter. As a result of earnest, continuous system compliance, this year PTT found no human rights complaints. Constantly, it disclosed operating information under the 10 Principles of the United Nations Global Compact. Besides, to promote business operations with respect to human right, labor rights, environmental care, and anti-corruption, to demonstrate the application of the 10 Principles of UN Global Compact, and to forge awareness and understanding of sustainable business operation way to the business sector, PTT Group joined hands with other companies of the same belief in doing business with respect to human rights, and has become five of 15 companies who founded the Thailand Global Compact Network, formally launched on December 13, 2018, to promote business conduct with due respect for human rights.

## 3.3 Significant Disputes with Stakeholders

This appears under "Legal Disputes", disclosed in Form 56-1.

## 4. Disclosure of Information and Transparency

Disclosure of information is a key index of operating transparency, a crucial factor for confidence among investors and stakeholders. PTT values accurate, precise disclosure of information and creates numerous channels of disclosure so that all stakeholders can gain easy access to information. It promotes awareness among directors, the management, and employees of the importance of CG and transparency to their work, and creates appropriate tools to receive complaints while providing fair treatment to whistleblowers and those complained against as follows:

### 4.1 Financial and Non-financial Reports

PTT prepared the annual report, financial report, and corporate sustainability report to communicate its policy, management approach, and outcomes of its economic, social, and environmental performance. The corporate sustainability report was based on the Sustainability Reporting Standard 2016 of the Global Reporting Initiative (GRI), and Oil and Gas

Sector Disclosure (OGSI) including reporting progress on the 10 Principles of UNGC, and illustrating PTT's commitment to supporting the UN SDGs. There also was a report review to validate the information by external party regularly. PTT publicized the report on the website of PTT, GRI and UNGC to ensure that its disclosure was suitable to and specific for the business. PTT commissioned an external party for the eight consecutive year for the certification of the report's accuracy, transparency, and credibility. This action is to be continued every year. This report and the annual report were delivered to the shareholders this year and are accessible to those interested via [www.pttplc.com](http://www.pttplc.com).

## 4.2 Investor Relations

Ever since PTT's privatization and share trading on SET in October 2001, the Investor Relations Department has been established as a center for disclosing essential information to investors and financial reporting, which includes performance reports, financial statements, and information filed to SET, together with quarterly management discussion and analysis (MD&A) reports showing updated performances and corporate outlooks. These are disclosed to domestic and international shareholders fairly, regularly, and thoroughly. A quarterly investors' magazine under the "happiness" title communicates business information and data as well as PTT's performance for debenture holders, and a quarterly bilingual newsletter called "PTT Bizway" bears the same purpose, aimed at common-share holders. The two publications communicate PTT's vision, missions, quarterly performance, CG, management for sustainability, and other current major activities. Investors may contact the department directly or through the PTT website, which is regularly updated, for information in Thai and English, which includes:

- Company information
- Annual report (Form 56-2)/ Form 56-1
- Information for common-share holders
- Information and activities for debenture holders
- Presentations and webcasts
- Roadshow/ conferences
- Analyst Research
- Activity Calendar
- Code of Conduct for Investor Relations

- Name and contact number of Investor Relations
- Major investment project information
- Policy and business direction statements by the management
- Compliance with public policies
- Key plans
- CG policies and promotional activities
- Financial performance
- Non-financial performance
- Highlights of CSR activities.
- Procurement

Through the years, PTT has valued disclosure of information that is accurate, complete, transparent and comprehensive, as well as direct and indirect presentation of performance while keeping investors, shareholders, and relevant parties informed of its data. Highlights of our activities appear below:

- **Direct:** PTT regularly presents information to analysts, investors, and employees at analysts' meetings, roadshows, conference calls, and conferences organized by various entities. PTT also holds joint activities with SET to meet minor investors (Opportunity Day). Relevant persons can make appointments for company visits and meet PTT executives to inquire about business updates at all times. During 2017 – 2018, these key activities took place:

Activities	2017 (times)	2018 (times)
International roadshows	14	14
Domestic roadshows	6	12
Analyst meetings	4	4
Press meetings	2	2
Credit rating reviews	6	4
Company visits/ conference calls (upon request)	46	55
Coonference Call (to annouce PTT 5 years capital budgeting/ 2018 Quarterly Performance)	-	5
E-mail/ phone calls	8-10 times/day	8-10 times/day
Joint activities with SET and other agencies to meet investors (Opportunity day)	4	4
Trips for institutional investors to visit and meet management team members	5	4
Trips for minor (retail) investors to visit and meet management team members	Scheduled once (three groups, October 31 - November 1 -2 )	Scheduled once (two groups, October 30 – 31)
Relations activities with debenture holders	15	15

- **Indirect:** Information about PTT, its performance, financial statements, and reports filed with SET are found at [www.set.or.th](http://www.set.or.th), PTT's website, the “happiness” magazine for debenture holders, and the quarterly newsletter “PTT Bizway” for common shareholders.

- Investors and interested parties can also mail inquiries to Investor Relations at Tel. 0 2537 3518-9, through e-mail at [ir@pttplc.com](mailto:ir@pttplc.com) or through PTT website at [www.pttplc.com](http://www.pttplc.com).

In addition, PTT has constantly publicized news, business activities, operation and project updates, apart from addressing questions and facilitating contacts for the media and the public. In 2017-2018, the activities appear below:

Activities	2017 (times)	2018 (times)
E-mails	411	225
News/photo releases	411	225
Press conferences	9	12
Media visits to operations (domestic and international)	12	6
Welcoming and information provision to visiting agencies for assorted purposes	46 groups (1,743 persons)	65 groups (3,026 persons)

### 4.3 Complaint-Filing and Access to Information

All stakeholders have equal access to PTT's public information, including reporting of news and leads, whether inside PTT through the intranet web board or outside PTT through its website, by phone, letter, or e-mail. Please contact Investor Relations, Office of the President and Corporate Secretary, Corporate Communication and Branding , or the Ordering & Customer Relations Center through these channels:

Telephone : 1365 Contact Center, 0-2537-2000

Website : <http://www.pttplc.com>

Email : Ordering & Customer Relations Center: [1365@pttor.com](mailto:1365@pttor.com)

Corporate Communication and Branding Department: [corporate@pttplc.com](mailto:corporate@pttplc.com)

Office of the President and Corporate Secretary: [corporatesecretary@pttplc.com](mailto:corporatesecretary@pttplc.com)

Investor Relations: [ptt-ir@pttplc.com](mailto:ptt-ir@pttplc.com)

CG Hot LineG: [cghelpdesk@pttplc.com](mailto:cghelpdesk@pttplc.com)

Line@ : @contact1365

Queries, comments and recommendations will be forwarded to relevant agencies to be addressed through the complaint management system. Follow-ups on the actions are done through e-mail every three days. If the actions are not completed, a notification will be sent to a higher level of supervisors for action. When completed, responsible units will notify the contact person(s), with another follow-up to find out about their satisfaction with the services of Contact Center officers, which will help improve information system management. The management tracks all information every month to detect trends and apply them as an approach for refinement of processes, products, and services in response to all stakeholders. This year, excluding complaints about PTT Oil and Retail Business Pcl queries, comments, and recommendations received totaled 20,463, mostly concerning, NGV discount cards, and contact with PTT's units.



PTT offers opportunities for the public to file complaints about improper behavior of directors, the management, and staff or their violation of PTT’s code of conduct. They are to be directed to the Office of Corporate Audit, Office of the President and the Corporate Secretary, or Human Resources Department. PTT treats all complaints on the basis of equality, transparency, attention, and fairness to all concerned. An appropriate timeframe to consider the complaints is set, and secrecy and protection of whistleblowers will be observed. No significant complaint on ethics was filed this year.

In 2018 the Board approved the structure of corporate governance and corporate relations by appointing the Good Governance and Corporate Ethics Department to centralize whistleblowing: filing incidents and tips, following up on complaint-handling, protecting and ensuring fair treatment to whistleblowers or those who give information about corruption in the company, reporting the investigation and the punishment to the management and applicable committees, and informing relevant parties of the results. In 2018 there were six cases, which were completely investigated, with no grounds for corruption found.

# Committees, Directors’ Assessment, Directors’ Development

## 1. Committees

The Board values CG by initially appointing the Audit Committee, the Nominating Committee, and the Remuneration Committee. For a period, the Audit Committee also looked after CG matters and risk management for the Board.

In 2004, the Board set up a Corporate Governance Committee, charged with promotion and screening of CG and promotion of excellence in such areas. In 2013, the Board set up the Enterprise Risk Management Committee to ensure clearer implementation of corporate risk management in compliance with the CG of listed companies and the State Enterprise Policy Office’s (SEPO) guidelines on the CG of state-owned enterprises

(2009). PTT today therefore has five committees investigating critical matters under the CG principles for the maximum benefit of shareholders, taking into account stakeholders’ concerns and interests, business ethics, transparency, and accountability. Each of these committees consists of qualified, non-management directors as required by SET, with clearly written roles and responsibilities in a charter. Since 2009, the duties of the Corporate Governance Committee have been expanded to cover additional policies, implementation, and monitoring of the operation on responsibilities for society, communities, and the environment so that the committee may be responsible for the stakeholders in a more comprehensive and efficient way. In 2013, the duties of this committee also covered the definition of guidelines for CG monitoring concerning PTT’s counter-corruption implementation. In 2015 - 2016, the Board updated the authorities of the Nominating Committee, Remuneration Committee, Corporate Governance Committee, and the Enterprise Risk Management Committee. In 2017, the Board approved the Enterprise Risk Management Committee’s steering of stakeholder management as an additional mandate.

PTT has appointed five committees with the following duties and responsibilities:

### 1.1 The Audit Committee

Each quarter, together with Accounting Service Center and the Office of the Auditor-General, the Audit Committee reviews PTT’s financial reports. The Board is accountable for PTT Group’s consolidated financial statements as well as other financial information presented in the annual report. The financial reports are prepared under generally accepted accounting principles and are audited and certified by the State Audit Office of the Kingdom of Thailand. Material information, financial and otherwise, is completely, accurately and consistently disclosed.

The Board approved the appointment of the Audit Committee on October 1, 2001, which consisted of directors with the qualifications specified by SEC laws and SET. The committee must consist of at least three directors. As of December 31, 2018, it consisted of three independent directors as follows:

Name	Position	Position in PTT Board of Directors
1. Prof. Dr. Kittipong Kittayarak	Chairman	Independent director
2. Mrs. Nuntawan Sakuntanaga	Member	Independent director
3. Mr. Vichai Assarasakorn	Member	Independent director

**Note:**

- Mrs. Nuntawan Sakuntanaga meets the qualifications required to review the credibility of PTT’s financial statements.*
- Prof. Dr. Kittipong Kittayarak was appointed member with effect from July 5, 2014, and appointed Chairman with effect from September 4, 2014.*
  - Mrs. Nuntawan Sakuntanaga was appointed member with effect from July 5, 2014.*
  - Mr. Vichai Assarasakorn was appointed member with effect from September 4, 2014.*

The Executive Vice President, Office of Corporate Audit, served as secretary.

### Duties and Responsibilities

- Establish a charter on internal audit for the Audit Committee compatible with PTT’s scope of work and responsibilities. The charter must be approved by the Board and revised at least once a year.
- Review the efficiency and effectiveness of CG, risk management, and internal control processes.
- Review PTT’s financial reporting process to ensure accuracy and credibility.
- Review compliance with laws, regulations, procedures, cabinet resolutions, SET requirements, SEC laws, and announcements or directives relevant to PTT’s businesses.
- Ensure sound internal audit procedures and review the adequacy of the budget and personnel and the independence of the Office of Corporate Audit.
- Consider connected transactions or transactions of potential conflicts of interest or potential corruption affecting PTT’s operations under the laws and SET’s requirements.
- Provide recommendations to the Board on the appointment, transfer, promotion, and assessment of the head of the Office of Corporate Audit.
- Select, nominate, and recommend fees for the external auditor to the Board.
- Coordinate audit findings with the external auditor and recommend reviews or verification of any items, if necessary.
- Report its internal audit performance to the Board at least quarterly, except for the fourth quarter, which is reserved for the annual report. The reports must be submitted to the regulating ministry and the Ministry of Finance for acknowledgment.
- Evaluate its own internal audit performance at least once a fiscal year and report the results to the Board.
- Disclose a report on its annual performance and the fees of the external auditor in the annual report.
- The chairman or members of the Audit Committee must attend shareholders’ meetings to address matters related to the committee or the appointment of the external auditor.
- Ensure that the management has a whistleblowing mechanism for complaints and supervise the system of complaints.
- When it is necessary to provide its opinions on PTT’s assorted operations, seek independent opinions from or hire advisers or specialists at PTT’s expenses.
- If internal reports show any sign of violation against laws, regulations, procedures, Cabinet resolutions, announcement, or directives relating to PTT’s businesses, the top management must be informed and responsible unit(s) ordered to take due actions.
- Hold the committee meeting at least every quarter and a meeting with the external auditor in the absence of the management at least once a year.
- Hold a formal meeting with the management at least once a year.
- Perform other tasks as required by the law or as assigned by the Board within the committee’s scope of duties and responsibilities.

These are in line with PTT’s regulation on the Audit Committee and the Office of Corporate Audit 2014.

This year the committee held 17 meetings and duly reported its findings to the Board. In addition, it participated in quarterly financial audits along with the external auditor and Accounting.

The Audit Committee has reported this year’s performance in the Report of the Audit Committee section.

**Note:**

*In practice, PTT is a state enterprise under the definition of the Budgetary Practice Act, B.E. 2502 (1959), Article 4, interpreted by an organic law concerning the auditing of state budget, B.E. 2542 (1999), Articles 4, 53, and 91, which state that the Office of the Auditor-General is authorized to audit financial reports in accordance with the Policy on State Budget Auditing and Standard Regulation, defined by the State Audit Commission and the Finance and Fiscal Discipline Act B.E. 2561 (2018).*

1.2 The Nominating Committee

The Board approved the appointment of the Nominating Committee on October 1, 2001, made up of three directors. As of December 31, 2018, it consisted of:

Name	Position	Remarks
1. Mr. Don Wasantapruek	Chairman	Independent director
2. Prof. Dr. Surapon Nitikraipot	Member	Independent director
3. Mr. Supot Teachavorasinskun	Member	Independent director

**Note:**

1. Mr. Don Wasantapruek was appointed Chairman with effect from from December 23,2018, replacing AM Boonsuib Prasit, who retired from the directorship of PTT due to his completion of sixty five years of age, effective from December 23, 2018.

2. Professor Dr. Surapon Nitikraipot was appointed member with effect from April 25, 2018.

3. Mr. Supot Teachavorasinskun was appointed member with effect from. April 25, 2018.

The Company Secretary served as secretary.

Duties and Responsibilities

1. Define the methods and criteria for directors’ nomination for transparency.
2. Select director nominees to fill vacancies (due to resignation or term completion) for the Board’s or the shareholders’ consideration and appointment with due regard for the composition of the Board, expertise, competencies, and experience useful to PTT in compliance with PTT’s Board Skill Matrix and the Director’s Pool of SEPO and IOD. Equally important, nominees must have no conflicts of interest with PTT. The qualifications of desirable directors must prove compatible with PTT’s business strategies.
3. Propose directors for committee duties with due regard for the committees’ compositions qualifications, expertise, and competencies. Then these names are to be tabled for the Board’s appointment. An exception is for the committee itself, which is to be appointed by the Board.
4. Be accountable to the Board directly, while the Board is accountable for PTT’s businesses to all stakeholders.
5. Assess its own performance and report the outcomes to the Board for acknowledgment and disclose them in the annual report.
6. Disclose its own performance in the annual report.
7. Hold at least two meetings a year.
8. Perform other Board-assigned tasks.

Directors’ recruitment procedures are as follows:

1. The committee defines the qualifications needed for replacements to ensure that the new directors meet the criteria and qualifications required by related laws and regulations and align with PTT’s strategy and operations. It defines a procedure for nominating qualified candidates.
- According to the CG Handbook, ethics standards, and the Code of Conduct, the Board should consist of experts from a variety of disciplines needed for the administration of PTT businesses. Specifically, it should consist of at least three experts in the petroleum business, at least one expert in law, and at least one expert in finance and accounting. Currently, PTT’s Board Skill Matrix consist of Accounting/ Finance/ Laws/ Information Technology/ Engineering/ Marketing/ Business Management/ International Business/ Economic/ Science, Technology, Energy Innovation, Petrochemical, Biological Industries, Digital Technology, Automation, Artificial Intelligence and Robots/ Political Science, Security, Risk Management/ Social Enterprise, Natural resources and environment and Sustainability.
2. The committee summarizes its recruitment results and presents to the Board a shortlist of qualified candidates along with supporting rationale.
  3. The Board appoints qualified candidates from the list prepared by the committee and submits their names to the shareholders’ meeting for approval. The list of suitable persons must also be endorsed by SEPO in conformance to the Directive of the Prime Minister’s Office on the Definition of Policy and Supervision of State Enterprises, B.E. 2557 (2014).
- This year the committee held 6 meetings, with all committee members at the time in attendance. The Company Secretary served as secretary to the committee.
- The committee disclosed its own performance in the annual report under the Report of the Nominating Committee.



### 1.3 The Remuneration Committee

The Board approved the appointment of the Remuneration Committee on October 1, 2001, by appointing three directors from the Board. As of December 31, 2018, it consisted of:

Name	Position	Position in PTT Board of Directors
1. Mr. Vichai Assarasakorn	Chairman	Independent director
2. Mr. Chumpol Rimsakorn	Member	Director
3. Mr. Somsak Chotrattanasiri	Member	Independent director

**Note:**

1. Mr. Vichai Assarasakorn was appointed Chairman with effect from February 20, 2018., replacing Mr. Boontuck Wungcharoen, who resigned from the directorship effective from December 31, 2017
2. Mr. Chumpol Rimsakorn.was appointed member, replacing Mr. Krisada Chinavicharana with effect from December 23, 2018.
3. Mr. Somsak Chotrattanasiri was appointed member with effect from November 18, 2016

The Company Secretary served as secretary.

#### Duties and Responsibilities

1. Define the criteria for compensation and propose fair, sensible compensation for the directors and the committee members for the Board's and the shareholders' approval.
2. Propose guidelines for assessing the performance outcomes and compensation for the President & CEO for the Board's approval.
3. Acknowledge and comment on organization restructuring and job levels, and assess and decide compensation for the senior executive vice presidents.
4. Be accountable to the Board directly, while the Board is accountable for PTT's businesses to all stakeholders.
5. Assess its own performance and report the findings to the Board for acknowledgment and disclose it in the annual report.
6. Disclose its own performance in the annual report.
7. Hold at least two meetings a year (practice amended in 2017).
8. Perform other Board-assigned tasks.

In 2018, the committee held 3 meetings, with all committee members at the time in attendance. The Company Secretary served as secretary.

The committee disclosed its own performance in the annual report under the Report of the Remuneration Committee.

### 1.4 The Corporate Governance Committee

The Board approved the appointment of the Corporate Governance Committee on June 24, 2004, consisting of three directors. As of December 31, 2018, it consisted of:

Name	Position	Position in PTT Board of Directors
1. Gen. Chatchalerm Chalernsukh	Chairman	Independent director
2. Mr. Thon Thamrongnawasawat	Member	Independent director
3. Prof. Dr. Surapon Nitikraipot	Member	Independent director

**Note:**

1. Gen. Chatchalerm Chalernsukh was appointed Chairman with effect from September 4, 2014.
2. Mr. Thon Thamrongnawasawat was appointed member with effect from November 18, 2016.
3. Prof. Dr. Surapon Nitikraipot was appointed member, replacing Mr. Don Wasantapruet with effect from December 23, 2018.

The Senior Executive Vice President, Corporate Governance and Regulatory Affairs, and Senior Executive Vice President, Office of General Counsel, served as secretary, and the Executive Vice President, Corporate Governance, and the Executive Vice President, Company Secretary and Corporate Relation, served as assistant secretary.

#### Duties and responsibilities

1. Propose practical CG guidelines to the Board.
2. Counsel the Board on CG matters.
3. Ensure that the performances of the Board and the management align with CG.
4. Revise PTT's CG approach annually by comparing it with international practices and propose revisions to the Board.
5. Assign the CG policy to the Governance, Risk Compliance Management Committee.
6. Assign the policy and guidelines for sustainability management (SM) including CSR.
7. Assign a policy of allowing minor shareholders to nominate directors and propose AGM agenda items.
8. Monitor SM implementation and report its findings to the Board.
9. Define the scope for supervising matters dealing with PTT's anti-corruption practices.
10. Hold at least one meeting each quarter.

In 2018, the committee held 6 meetings with all committee members at the time in attendance. The Company Secretary served as secretary.

The committee disclosed its own performance in the annual report under the Report of the Corporate Governance Committee.

1.5 The Enterprise Risk Management Committee

The Board approved the appointment of the Enterprise Risk Management Committee on October 25, 2013, by appointing at least three directors, at least one of whom must be an independent director. As of December 31, 2018, it consisted of:

Name	Position	Position in PTT Board of Directors
1. Mr. Thon Thamrongnawasawat	Chairman	Independent director
2. Mr. Danucha Pichayanan	Member	Independent director
3. Mr. Thammayot Srichuai	Member	Director

Note:

1. Mr. Thon Thamrongnawasawat was appointed Chairman with effect from April 25, 2018.
2. Mr. Danucha Pichayanan was appointed member with effect from April 25, 2018.
3. Mr. Thammayot Srichuai was appointed member with effect from December 15, 2016.

The Senior Executive Vice President, Corporate Strategy, as Chief Risk Officer (CRO) and Chief Stakeholder Officer (CSO), served as secretary.

In 2017 the committee’s duties and responsibilities have been revised to embrace stakeholder management as follows:

Duties and responsibilities

- Define and review PTT’s risk management and corporate stakeholder management policies and scopes
- Supervise and support risk management and stakeholder management practices in line with strategies and business goals as well as prevailing circumstances
- Provide recommendations, monitor, and evaluate risk management and stakeholder management for further implementation of the Corporate Plan and Risk Management Committee (CPRC) (management level)
- Review risk management outcome reports and provide recommendations on risks including specifications of control measures or mitigation plans and development of the risk management system to CPRC for continued efficiency
- Review reports of corporate stakeholder management outcomes and provide recommendations on relevant plans to extend positive outcomes or minimize/offset potential impacts on stakeholders, including development of the stakeholder management system for CPRC to ensure continued efficiency
- Support the Chief Risk Officer (CRO) and Chief Stakeholder Officer (CSO) in achieving PTT’s corporate risk management and stakeholder management goals
- Report risk management outcomes and stakeholder management outcomes to the Board. In case where factors or events might have significant impacts on PTT, the Board must be notified immediately.
- Screen and comment on items with long-term obligations, business complexities, and risks with significant impacts on PTT before tabling such items to the Board.
- The Enterprise Risk Management Committee meeting must be conducted at least once a quarter.
- Perform other Board-assigned duties.

Revision of the risk management system remains the duty of the Audit Committee and Office of Corporate Audit.

In 2018, the Committee held 5 meetings with all committee members at the time in attendance. The Senior Executive Vice President, Corporate Strategy, served as the secretary.

The committee disclosed its own performance in the annual report under the Report of the Enterprise Risk Management Committee.

2. Board Self-assessment

With the resolution of Board Meeting No. 9/2561 (2018) of September 28, 2018, the Board approved the self-assessment form used in 2017 with some modification and added Assessment form of roles and duties and performance of the Chairman (previously the roles and duties of the Chairman from the board assessment form, now with added items), work satisfaction of the committees, and chairman of each committee. Therefore, in 2018 there were five assessment forms, namely Assessment of the Board, Assessment of Individual Directors (Self-assessment), Individual Assessment of Other Directors (Cross-assessment), and Assessment of the Committees (Entire Committees), and Assessment of Chairman’s roles and duties and performance, along with work satisfaction of the committees and chairman of each committee. The five assessment forms stipulated the percentages corresponding to the levels of performance achieved in each of these detailed below.

Over 85%	=	Excellent
Over 75%	=	Very good
Over 65%	=	Good
Over 50%	=	Fair
Below 50%	=	Need improvement.

The self-assessments findings were as follows:

**1. Assessment of the Board** consisted of Board Policy, Board Composition, Board Practices, Board Meeting conducting, and Board Training and Development.

The results indicated excellent/most suitable overall performance, with an average score of 94.58%.

**2. Assessment of Individual Directors (Self-assessment)** consisted of accountability for decisions and actions; responsibility for performing the job with full ability and efficiency; equitable treatment of all stakeholders; transparency in job performance and information disclosure; vision to create long-term value; and business ethics.

Overall results of the six categories indicated excellent conformance by most directors, with an average score at 97.91%

**3. Individual Assessment of Other Directors** Cross-assessment) consisted of six identical categories equivalent to the Assesment of Individual Directors (Self-Assessment) for comparing.

Cross-assessment results in these six categories indicated excellent conformance by most directors, with an average score of 97.91%

**4. Self-assessment of the Committees** (assess entire committee on the whole) consisted of Board policy, Board composition, Board practices, and Board meeting conducting.



The results in four categories indicated excellent/ mostly agreed overall performance for the committees as follows:

4.1 The Nominating Committee indicated excellent performance, with an average score of 98.61%

4.2 The Remuneration Committee indicated excellent performance, with an average score of 97.92%

4.3 The Corporate Governance Committee indicated excellent performance, with an average score of 95.83%

4.4 The Enterprise Risk Management Committee indicated excellent performance, with an average score of 98.61%.

**5. Chairman's Roles & Duties and Performance Assessment, Work Satisfaction survey of the Committees and Chairman of each.** The assessment of the Chairman consisted of five categories and work satisfaction assessment, 10 categories, with an average score of 98.74%

#### 6. Audit Committee's Performance Assessment

Under PTT's regulations on performance assessment of the Audit Committee and Office of Corporate Audit 2014, the Audit Committee Manual for State Enterprises under the Ministry of Finance, and SET's good governance handbook for internal auditors and the audit committee Section 1.1: Responsibility of the Audit Committee, the Audit Committee must assess its performance by undertaking self-assessment at least once a year. The individual self-assessment or the entire committee's assessment is presented yearly to the Board, specifying problems and the plan for improvement. This year the Audit Committee's Meeting No. 9/2561 (2018) of September 7, 2018, resolved to use the same assessment forms for the Audit Committee, namely Assessment of Individual Directors (Self-assessment), Individual Assessment of Other Directors (Cross-assessment), and Assessment of the Committees (Entire Committees), since they conformed to the best practices stipulated by SEPO and SET. The Audit Committee's Extraordinary Meeting No. 10/2561 (2018) of October 5, 2018, approved the assessment of its performance for 2018 with the following details:

- Assessment of the entire committee consisted of structure and composition/ meetings/ roles and responsibilities/ relationship with the Office of Corporate Audit and the external auditor/ relationship with the management/ reporting/ quality consistency.

The assessment criteria were 4=regularly implemented, 3=mostly implemented, 2=sometimes implemented, 1=never implemented.

The results of the assessment of the entire Audit Committee was at the "regularly implemented" level, with an average score of 3.99.

- Assessment of Individual Directors (Self-Assessment) consists of business knowledge/ specific expertise/ duties and authorities/ independence and fairness/ understanding of duties and responsibilities of members/ commitment to work and meetings.

The assessment criteria were 4=Excellent, 3=Very good, 2=Good, 1=Need improvement.

The results of the Audit Committee's self-assessment indicated "excellent" overall performance, with an average score of 3.88

- Cross-assessment consisted of six identical categories listed above for direct comparison.

The results of the Audit Committee's self-assessment indicated "excellent" overall performance, with an average score of 3.95

PTT also analyzed the assessment topics to develop/improve performance. In addition to developing the annual performance assessment forms for the Board, the Board since 2017 has begun gauging directors' efficiency and effectiveness by defining KPIs for their performance early in the year for measuring the Board's performance and for determination of their compensation. The assessment findings in 2018 were regarded as "excellent"..

## 3. Director Orientation

For the new directors, PTT arranges an orientation program dealing with its business policies, capital structure, shareholding structure, business performance, information systems, as well as related laws and regulations. Moreover, each director receives a Director's Handbook, which includes the following topics:

#### Director's Handbook

- Public Company Act
- Securities and Exchange Act
- Standard Qualifications of Directors and State Enterprise Officer Act
- Company Registration Certificate
- Company Certificate
- Company Objectives
- Articles of Association
- Company Rules (17 Rules)
- PTT Corporate Governance Handbook
- Manual for Directors of Listed Companies.

#### Information kit for directors

- Overview business presentation of PTT by the President & CEO
- List of PTT directors, committees, and management structure
- Director Fiduciary Duty Check List
- CG principles for listed companies
- Connected transactions of listed companies
- Guidance on providing information for listed company management
- Company Profile (short version)
- Annual Report
- Financial Report

- Annual Corporate Sustainability Report
- Corporate Governance book
- Debenture Magazine
- PTT Spirit publication
- Article: "Truth about Privatization"
- PTT Way of Conduct
- PTT Technology and Innovation Management Operating System
- PLLI Course Catalog.

This year (2018), the President & CEO presented the informations; its management structure, strategies and policies on its business operations and performance, and relevant information for their overview of the overall business operations. At the same time, on one occasion, the above-mentioned documents and handbook for new directors were handed over. In 2018, 4 orientations have been conducted.

## 4. Director Development

### Course/Seminar

The Board and the management value regular participation in development training relevant to their performance, as seen in each of their profiles. Most directors (over 90%) have undergone training with IOD. PTT supports and encourages their IOD training as well as other institutions in all relevant courses throughout the year, which included regular in-house briefings by experts and consultant companies with helpful business data. In addition, it stages study trips to other agencies and organizations to promote helpful initiatives for application to PTT's business.

This year the following directors have attended training and seminars.

Name	Course/Seminar/Event
Mr. Krairit Euchukanonchai	<ul style="list-style-type: none"> <li>Thai Energy Academy (TEA) for Senior Executives, Class 12</li> <li>Participating Gastech 2018 Conference and Exhibition</li> <li>Receiving HRH Princess Maha Chakri Sirindhorn, who presided over the opening of the School of Molecular Science and Engineering (MSE), Vidyasirimedhi Institute of Science and Technology, Rayong</li> <li>Participating the 2018 Outstanding State Enterprise event</li> </ul>
Prof. Dr. Kittipong Kittayarak	<ul style="list-style-type: none"> <li>Participating “Long Khak Kiew Khao” (joining forces in rice harvesting) at the Wang Chan Forest Learning Center, PTT Forestation and Ecology Institute.</li> <li>Accompanying new management in Thailand and overseas, from the public sector and private sector, who attended “TIJ Workshop for Emerging Leaders” visited the Forest in the City exhibition, and participated in the “Gift from the Forest” event at the Forest in the City Learning Center.</li> </ul>
AM Boonsuib Prasit	<ul style="list-style-type: none"> <li>Leadership Development Program for Sustainability (LDP) 3 Module 1: Mindful Leadership: Cultivating Morality &amp; Ethics and Sustainable Growth, in Udon Thani.</li> <li>Visit “Bottle for Smile” project</li> </ul>
Mr. Vichai Assarasakorn	<ul style="list-style-type: none"> <li>Participating the “Bicentennial of Green Globe Award”, and 18<sup>th</sup> Green Globe Award Ceremony</li> <li>Participating the “Anti-Corruption Day 2018”, organized by the Anti-Corruption Organization of Thailand</li> </ul>
Gen. Chatchalerm Chalermsook	<ul style="list-style-type: none"> <li>PTT CG Day</li> </ul>
Mr. Thon Thamrongnawasawat	<ul style="list-style-type: none"> <li>Participating “PTT Touch Green Society: a Society of Optimizing the Use of Natural Resources” under the “Reduction of Unnecessary Plastic Use” campaign</li> <li>PR&amp;CSR Academy: Brand Transforming into Digital Age.</li> </ul>
Mrs. Nuntawan Sakuntanaga	<ul style="list-style-type: none"> <li>Participating the 7<sup>th</sup> Amazing Winter City Flower: Tulip in Rayong at HRH Princess Maha Chakri Sirindhon Herb Garden</li> <li>Participating the 2018 Outstanding State Enterprise event</li> </ul>
Prof. Dr. Surapon Nitikraipot	<ul style="list-style-type: none"> <li>Board Nomination &amp; Compensation Program (BNCP 5/2018), Thai Institute of Directors (IOD)</li> <li>Participating the 2018 Outstanding State Enterprise event</li> <li>Special lecture on “From Trust to Trust for employees in T-Time 2018”</li> </ul>
Mr. Supot Teachavorasinskun	<ul style="list-style-type: none"> <li>Participating the 2018 Outstanding State Enterprise event)</li> </ul>

Name	Course/Seminar/Event
Mr. Somsak Chotrattanasiri	<ul style="list-style-type: none"> <li>Thai Energy Academy (TEA) for Senior Executives, Class 11</li> <li>Participating the 2018 Outstanding State Enterprise event</li> </ul>
Mr. Don Wasantapruet	<ul style="list-style-type: none"> <li>Participating the 2018 Outstanding State Enterprise event</li> </ul>
Mr. Chansin Treenuchagron	<ul style="list-style-type: none"> <li>Participating “PTT Touch Green Society: a Society of Optimizing the Use of Natural Resources” under the “Reduction of Unnecessary Plastic Use” campaign</li> <li>Participating the 2018 Outstanding State Enterprise event</li> <li>PTT Group CG Day 2018</li> </ul>

Directors who resigned or retired during the year

Name	Course/Seminar/Event
Mr. Krisada Chinavicharana	<ul style="list-style-type: none"> <li>Thai Energy Academy (TEA) for Senior Executives, Class 11</li> </ul>
Mr. Tevin Vongvanich	<ul style="list-style-type: none"> <li>Present to new management in Thailand and overseas, from the public sector and private sector, who attended “TIJ Workshop for Emerging Leaders” and led the group to visit the Forest in the City, exhibition, and participated in the “Gift from the forest” event at the “Forest in the City Learning Center”.</li> </ul>

### Visits to Businesses, Assets, and Employees of PTT Group Companies/ Energy Business Investigation

PTT’s policy is to organize visits and study trips to operations, assets, and employees, domestic and overseas for the directors regularly to foster their understanding of the business so that they would be able to apply their expertise and experience to their consideration of energy-related matters concerning PTT and Thailand.

At the same time, the Board will be able to compare energy policy-making with that of Thailand while enabling directors to track data and progress in the energy business and share views with experts from world-class, leading energy companies first-hand. This would provide insights into PTT Group’s investment growth abroad, which aligns with the group’s future business directions. The knowledge and direct experience derived from this activity will contribute to their mastery of world-class energy businesses and aid in setting PTT’s and Thailand’s businesses.

This year the Board’s pays a visit to PTT Group’s business operations, assets, and employees were as follows: A study visit to business operations and energy or related businesses, as well as the energy business or related ones, and emerging technologies in Denmark, Norway, and the UK, together with information sharing with senior executives of startup businesses and leading overseas energy companies, including a visit to PTT International Trading London Ltd. (PTTT LDN), a PTT affiliate in London, UK.

Also this year the board participated in several domestic events, such as the 7<sup>th</sup> Amazing Winter-City Flowers: Tulip in Rayong, held during August 9 -15, 2018, at HRH Princess Maha Chakri Sirindhon Herb Garden; 2018 “Long khaek Kieo Khao” (joining forces in rice harvesting) at Wang Chan Forest Learning Center; PTT’s 2018 Kathin and Pha Pa (robe offering to monks); the opening of an Arts Gallery Center at Ban Chao Phraya; and the opening of “Café Amazon for Chance” of which the barista is a deaf person, creating income and equality in our society.



# Nomination and Appointment of Directors and President & CEO

## 1. Independent Directors

### 1.1 Qualifications of Independent Directors

At Meeting No. 1/2556 (2013) of January 17, 2013, the Board endorsed a proposal of the Corporate Governance Committee to redefine PTT independent directors' qualifications more stringently than the criteria of SEC and SET and define their roles and responsibilities in a manual signed by the Chairman on January 21, 2013, as follows:

- (1) Hold up to 0.5% of the voting shares of PTT, its subsidiaries, associates, juristic persons with potential conflicts, or related companies (including the shares held by related parties under Article 258 of Securities and Exchange laws)
- (2) Have not been involved in the management or employees, wage earners – including audit advisors, legal or other advisers – on the payroll of PTT, or have control over PTT, its subsidiaries, associates or juristic persons that could pose conflicts of interest for the past two years
- (3) Have no blood relationship or relationship through registration as parents, spouses, siblings, and children. This definition also applies to children's spouses, executives, major shareholder, controllers, or people due to be nominated as an executive or controller of PTT or its subsidiaries
- (4) Business relationship with PTT
  - (a) Types of relationship
    - Professional service
      - Auditor and other professional service provider, including legal adviser, financial adviser, property valuator
      - Non-independent" criteria
        - Total prohibition for auditors
        - Other professional services: when the total value exceeds Baht 2 million per year.
    - Commercial/business relationship (similar to SET's requirements for connected transactions)

- Types of relationship: Full coverage of business transactions, that is, normal transactions, real-estate leasing, asset/service transactions, and financial assistance transactions
  - "Non-independent" criteria: Transaction value from Baht 20 million or 3% of PTT's NTA upward (whichever is lower); the total value must include items occurring within six months before this transaction.
- (b) Should the relationship under (a) apply to a juristic person, the parties regarded as "non-independent" consist of the major shareholder, directors that are not independent ones or not a member of the Audit Committee, and executives (or partners) of that juristic person
- (c) The forbidden periods for (a) and (b): Two years before the appointment
- (d) Exceptions: If necessary and suitable (exceptional cases), independent directors/Audit Committee members may have more relationship than the non-independent criteria while holding directorship, provided that a prior unanimous approval has been given by the Board. Besides, PTT must disclose such relationship in Form 56-1 and its annual report (Form 56-2). And should PTT should decide to extend the term of that independent director, it must disclose details about such relationship in the meeting notice for the next shareholders' meeting (in the directors' election agenda item).
- (5) Are not appointed to represent PTT's directors, its major shareholder, or shareholders related to PTT's major shareholder.

(6) Have no qualifications that compromise the expression of free views.

(7) Independent directors with qualifications (1) through (6) above may be assigned by the Board to decide on business matters of PTT, its subsidiaries, associated companies, sister companies, or juristic persons that could pose conflicts of interest; such decisions are to be collective decisions.

Incidentally, if independent directors serve in this position in PTT, its subsidiaries, associated companies, or sister companies, PTT must also disclose information about such service and the total compensation of such directors in Form 56-1 and Form 56-2.

### • Roles and Responsibility of PTT's Independent Directors

(1) Recommend essential, beneficial matters to PTT and its minor shareholders to the Board or the President & CEO, or both.

(2) Advocate roles and responsibilities of the Board and provide views commonly expected of independent directors for the benefit of PTT and its minor shareholders.

(3) Review matters to ensure PTT's compliance with laws dealing with independent directors, and revise the definition of independent directors for suitability and legal completeness.

(4) Take other Board-assigned actions provided that these actions do not compromise their independence.

(5) An independent director's term begins once he or she fulfills all the requirements under the definition for PTT's CG; it ends when he or she lacks qualifications or completes the PTT term.

(6) The independent directors must hold their own meeting at least once a year.

## 1.2 Segregation of the Chairman and the President & CEO Positions

To segregate policy-making duties from those of day-to-day management and to enable directors to oversee, look after, and assess performance effectively, PTT has required that the Chairman and the President & CEO are always two persons. This is because the Chairman needs to oversee the management's performance, guide, and assist it, but not to take part in or interfere with day-to-day management, which is the duty of the President & CEO under the authority delegated by the Board.

The current Chairman is an independent director. He exercises high-level leadership and ensures that directors do not fall under the influence of the management by encouraging them to exercise their voting rights and strictly comply with CG principles.

## 1.3 Independence of the Chairman

Board Meeting No. 7/2561 (2018) of July 20, 2018, appointed Mr. Krairit Euchukanonchai, an independent director, as Chairman of the Board, which was endorsed by the State Enterprise Policy Office with effect from September 7, 2018, as required by the regulation of The Prime Minister's Office on State Enterprise Policy and Monitoring B.E. 2557 (2014), and the 2017 CG principles for listed companies (CG CODE). It would allow the work of the Chairman to be independent and boost confidence in transparency of operations and fair treatment of all stakeholders.

## 2. Nomination of Directors and President & CEO

### 2.1 Nomination of Directors

(The nominating process to appoint directors is reported under Corporate Governance, entitled Proposal of additional agenda items and nomination of directors" and "The Nominating Committee").

### 2.2 Nomination of President & CEO/ Succession Planning

Because PTT is a state enterprise, the nomination and appointment of the President & CEO must follow the Standard Qualifications of Directors and State Enterprise Officer Act. The directors must have the qualifications as specified in Article 8 ter and the nominating procedures as specified in Article 8 quarter. The Board is to appoint a Nominating Committee with five members legitimately qualified to nominate persons with appropriate knowledge, capability, and experience to fill the positions of PTT management. They must be legitimately qualified and cannot be PTT directors, except for the management who are directors by title. They must not be older than 58 years old when submitting the application form. When the Nominating Committee has selected appropriate candidates, it submits the results to the authority's consideration. The appointment must be completed within one year from the day the incumbent left the position. The employment contract lasts up to four years for each term. If the Board wishes to hire the previous person after the completion of his term as specified in the employment contract, it does not have to go through the nominating process. However, it cannot hire that person for more than two consecutive terms.

*The information on **succession planning for the executives** is reported under Management Structure, entitled "Employees".*

## Governance of Subsidiaries and Associated Companies

### Governance Mechanisms

PTT defined a CG policy for PTT Group companies by preparing the "PTT Way" handbook and the "PTT Way of Conduct" guidelines, which compile work procedures in various aspects of PTT Group companies so that their work procedures may be in conformity and unity. They will provide the PTT executives who take the positions of directors and presidents in PTT Group companies or relevant agencies with the guidelines that they can comply with and foster cooperation in business operations among PTT Group companies in the same direction, conforming to and complementing one another, in order to forge competitiveness and meet long-term goals and experience sustainable growth.

Management task grouping falls into two levels:

- **Corporate level**, consisting of
  - Corporate center, which focuses on governance and shared services. A PTT Group policy is defined for alignment
  - COO/BG, whose role is to define strategies and goals and closely monitor each business group's performance to pursue operational excellence and forge synergy.
- **Operating level in PTT Group**, namely business units and their companies, which focus on their own businesses to achieve success and integrate PTT Group governance and shared services with their own operations for maximum efficiency.

Corporate level and BU/Flagship management are linked through governance mechanisms, namely

- Definition of company rules, regulations, policies, and directives
- Policy transfer leading to implementation by PTT executives holding directorships or the top management positions of PTT Group companies or PTT officers on secondment in PTT Group
- Linkage and driving of tasks toward goal achievement through assorted committees
- Transfer, monitoring, advice, and assessment of policy drives among PTT Group companies through the management of each affiliate of each business unit.

In addition, PTT has defined key roles in the management of PTT Group companies for maximum benefit as set by the mission, as follows:

#### Roles of the Board

- Define the company's vision, directions, strategies, and policies
- Appoint the management to conduct business
- Monitor and ensure that the operations provide maximum benefit to the shareholders and stakeholders
- Adhere to good governance.

#### Roles of the top management

- Provide linkage of strategies and policies between the company and PTT Group based on concrete implementation
- Manage the company so that its performance may satisfy the shareholders.

#### Roles of the Company Secretary

- Support the directors and the President & CEO
- Ensure corporate compliance

#### Roles of the Shareholders

- Elect and monitor directors
- Jointly formulate the company's policy.



Below are the criteria and rules that dictate the roles and duties of PTT's directors and the top management in PTT Group:

- PTT Plc Articles of Association on the investment criteria and investment budget management in PTT Group companies and governance guidance of PTT-invested companies (2014)
- PTT Plc Articles of Association on the internal task division of PTT of 2010
- PTT Plc Articles of Association on personnel management B.E. 2544 (2001) and its supplement
- PTT Plc Articles of Association on the investment criteria in PTT Group companies and governance guidance of PTT-invested companies (2015)
- Rules of the Securities and Exchange Commission (SEC)
- Rules on the replacement of directors in PTT Group companies not listed on SET
- Rules on the appointment of executives as boards of directors in PTT Group companies not listed on SET
- Rules on the management of PTT Group companies
- Anti-corruption rules regulated by the CAC panel.

## Policy on Serving as Directors of Other Companies

This year PTT had 36 affiliated companies, five of which are SET-listed flagships. PTT therefore adopted the PTT Group management structure for synergy and alignment of policies. To achieve this, it appointed directors or management team members as directors in these companies to supervise policies and business management which aligned with PTT's policies for the benefit and value addition for all stakeholders. The objectives of such appointments are:

1. To ensure that the management of a given company aligns with the policies of PTT Group companies, monitor its overall business performance to align with PTT's policy, and institute comparable standards.
2. To establish synergy for the business of PTT Group companies and add value to all related parties, including Thailand as a whole.

3. To apply specific expertise in support of business, including financial know-how to improve accounting and financial processes to enable a given company to grow robustly. This includes assistance to companies outside PTT Group. The resulting application of the knowledge and expertise gained from serving in such leading companies will enhance the benefit to PTT and foster cordial relations and business alliance with PTT.

4. This is part and parcel of the responsibility of the directors and the management of PTT.

PTT ensures its consideration of executives or outsiders from the Ministry of Finance's Director's Pool for appointment within PTT Group, which is regarded as a state enterprise, based on the act on standard qualifications of directors and state enterprise officials. Chosen directors from the pool must make up no less than one-third of other directors of a given state enterprise. As of January 1, 2019, PTT had 23 members who belonged to the Director's Pool. It also ensures that PTT executives and such outsiders who serve as directors in PTT affiliates serve on no more than three PTT affiliates or other state enterprise affiliates. This is designed to lower risks of conflicts of interest and ensure conformance to applicable laws, as well as conformance to a Cabinet resolution of January 24, 2011, on fraud prevention measures at state enterprises, entitled "The appointment of senior government officials or persons as directors on multiple state enterprises", as proposed by NACC.

Finally, the Board defined guidelines and criteria for serving in various positions by PTT Group's executives. In 2015, the Board decided to adopt them as part of the CG Handbook.

## Supervision of the Use of Inside Information

### 1. Code of Conduct

PTT's written policy and a code of conduct are in place for integrity and a high ethical standard. In the handbook, the Corporate Governance Committee defines the code based on international standards. Violators of the code are subject to disciplinary action.

The essential aspects of the code are included below:

1. Respect the law and the Universal Declaration of Human Rights principles
2. Prevent money laundering
3. Stay politically neutral
4. Stay free of vested interests and conflicts of interest
5. Maintain confidentiality and refrain from using inside information for self-gains
6. Respond to customers' needs and show responsibility to consumers
7. Compete freely and fairly
8. Use a transparent procurement system and treat business partners fairly
9. Show responsibility to communities and society
10. Support employees' rights and establish employee engagement
11. Strictly, transparently, and equitably honor loan contracts
12. Have an efficient internal control system and an internal audit system
13. Have a guideline for accepting and giving gifts, assets, or other benefits
14. Maintain safety, promote health, and preserve the environment
15. Respect intellectual properties and properly apply information technology.

### 2. Conflicts of Interest

PTT requires information disclosure to prevent conflicts of interest and illegal, improper activities. Under the Board's policy, business decisions made by the management and employees must be solely for PTT's best interests. All staff must not only avoid engaging in financial and other relationships with external parties that would lead to financial losses for PTT or a conflict of loyalty or interests, but also not compromise the efficiency of business operations. Those staff with interests or related businesses which may require PTT's review and decisions must report their relationships and connection with possible conflicts of interest. PTT is to disallow such connected persons from exercising their authority for and involvement in such transactions.

## 3. Reporting Transactions of Potential Conflicts of Interest with PTT

PTT has required the directors, management, and all employees to disclose potential conflicts of interest through a specific disclosure form. In addition, any approval of such items must not contain special conditions or specifications that are out of the ordinary, which forms part of PTT's internal controls. PTT's Office of Corporate Audit and the Audit Committee have been entrusted with the monitoring and resolution of issues related to conflicts of interest. This year the directors, management, and all employees were required to fill out an electronic report for conflicts of interest at the beginning of the year. However, no such cases of significance have arisen. The disclosure form confirms their acknowledgment that violation of ethics and the code of conduct in PTT's business operations are subject to disciplinary measures varying with the seriousness of the actions.

## 4. Reporting Vested Interests of Directors, the Management, and Related Parties

In the first quarter this year, the Board developed a form for reporting the vested interests of directors, the management, and related parties as basic information to manage vested interests for directors and senior management. The directors and the management are to report such matters every year and with every change. The Company Secretary is to compile and submit the copy to the Board Chairman and the Chairman of the Audit Committee to check and manage conflicts of interest. This year, however, no such cases have arisen.

## 5. Reporting Changes in Share Portfolios

As part of the oversight of inside-information measures, all PTT directors and management, including their spouses and children not yet of legal age, must report any changes in their PTT share ownership to SEC under Article 59 of the Securities and Exchange Act B.E. 2535 (1992) and its amendments within three days from the dates of sale, purchase, disposal, or receipt of such shares. PTT defines the policy of disclosing or reporting the sale, purchase, disposal, or receipt of such shares, changes in share ownerships of the directors and the management to the monthly Board meeting, contained in advance as a regular agenda item.

Moreover, one week before the closing of the quarterly and yearly financial statements, the Office of the President and Corporate Secretary issues a letter to the directors, executives, or units with privilege of inside information, forbidding them to disclose such information to external parties or unrelated parties, and to buy or sell PTT shares within 45 days (for quarterly statements) and 60 days (for the annual statements) of the last effective date of the financial statements to the notification date of the financial statements to SET, ahead of the public dissemination of the statements so as to prevent insider trading. This year, all directors and the management have strictly observed this policy. Notifications of no sale, purchase, or transfer of PTT's shares were served on four occasions to the directors and executives:

1. Between January 1 and February 28, 2018(fiscal year 2017)
2. Between April 1 and May 15, 2018 (fiscal year 2018, first quarter)
3. Between July 1 and August 15, 2018 (fiscal year 2018, second quarter)
4. Between October 1 and November 15, 2018 (fiscal year 2018, third quarter).

A policy was set for the avoidance of share trading of PTT Group companies during other periods. If necessary, such share trading must follow notification to the Company Secretary by at least two days.

### Directors' Securities Portfolio, 2017 - 2018

No.	Name	Shares			Remarks
		Dec 31, 2017	Dec 31, 2018	Change during the year	
1.	Mr. Krairit Euchukanonchai	N/A	–	–	<ul style="list-style-type: none"> <li>Appointed Director on July 11, 2018</li> <li>Appointed Chairman on September 7, 2018</li> </ul> (No PTT share held)
	Spouse and children under legal age	N/A	–	–	–
2.	Prof. Dr. Kittipong Kittayarak	–	–	–	(No PTT share held)
	Spouse and children under legal age	–	–	–	–
3.	Mr. Don Wasantapruek	–	–	–	(No PTT share held)
	Spouse and children under legal age	–	–	–	–
4.	Gen. Chatchalerm Chalermsook	–	–	–	(No PTT share held)
	Spouse and children under legal age	–	–	–	–

No.	Name	Shares			Remarks
		Dec 31, 2017	Dec 31, 2018	Change during the year	
5.	Mr. Vichai Assarasakorn	–	–	–	(No PTT share held)
	Spouse and children under legal age	–	–	–	–
6.	Mrs. Nuntawan Sakuntanaga	–	–	–	(No PTT share held)
	Spouse and children under legal age	–	–	–	–
7.	Mr. Supot Teachavorasinskun	N/A	–	–	Appointed on January 18, 2018
	Spouse and children under legal age	–	–	–	–
8.	Prof. Dr. Surapon Nitikraipot	N/A	–	–	Appointed on April 12, 2018 (No PTT share held)
	Spouse and children under legal age	–	–	–	–
9.	Mr. Somsak Chotrattanasiri	–	–	–	(No PTT share held)
	Spouse and children under legal age	–	–	–	–
10.	Mr. Chumpol Rimsakorn	N/A	–	–	Appointed on December 23, 2018 (No PTT share held)
	Spouse and children under legal age	N/A	–	–	–
11.	Mr. Thon Thamrongnawasawat	–	–	–	(No PTT share held)
	Spouse and children under legal age	–	–	–	–
12.	Mr. Danucha Pichayanan	N/A	–	–	Appointed on April 12, 2018 (No PTT share held)
	Spouse and children under legal age	–	–	–	–
13.	Mr. Thammayot Srichuai	N/A	–	–	(No PTT share held)
	Spouse and children under legal age	–	–	–	–
14.	Mr. Chansin Treenuchagron	–	–	–	Shown in the Management's Ownership of Shares Table.
	Spouse and children under legal age	–	–	–	–

**Note:**

No PTT share was held by directors' spouses and children under legal age.



## Securities Portfolios of Directors Who Completed Their Terms and Who Resigned, 2018

No.	Name	Shares			Remarks
		Dec 31, 2017	Dec 31, 2018	Change during the year	
1.	Mr. Piyasvasti Amranand	–	N/A	N/A	Retired from the directorship of PTT due to his completion of sixty five years of age. (No PTT share held during his tenure in 2018)
	Spouse and children under legal age	–	–	–	–
2.	Mr. Chanvit Amatamatucharti	–	N/A	N/A	End of term on April 12, 2018 (No PTT share held during his directorship in 2018)
	Spouse and children under legal age	–	–	–	–
3.	Mr. Somkit Lertpaithoon	–	N/A	N/A	Appointed on April 12, 2018 (No PTT share held during his directorship in 2018)
	Spouse and children under legal age	–	–	–	–
4.	Mr. Somchai Sujjapongse	–	N/A	N/A	Resigned on May 1, 2018 (No PTT share held during his directorship in 2018)
	Spouse and children under legal age	–	–	–	–
5.	Mr. Krisada Chinavicharana	N/A	N/A	N/A	Appointed on June 1, 2018, and resigned on November 30, 2018
	Spouse and children under legal age	–	–	–	(No PTT share held during his directorship in 2018)
6.	AM Boonsuib Prasit	–	N/A	N/A	Retired from the directorship of PTT due to his completion of sixty five years of age, effective from December 23, 2018. (No PTT share held during his directorship in 2018)
	Spouse and children under legal age	–	–	–	–
7.	Mr. Tevin Vongvanich	25,000	N/A	N/A	Share in the Management's Ownership of Shares Table.
	Spouse and children under legal age	–	–	–	–

## Management's Ownership of Shares, 2017 - 2018

No.	Name	Shares			Remarks
		Dec 31, 2017 At Par Value 10 Baht	Dec 31, 2018 At Par Value 1 Baht	Change during the year	
1.	Mr. Chansin Treenuchagron	–	–	–	<ul style="list-style-type: none"> <li>Appointed as President and CEO on August 31, 2018.</li> <li>(No PTT share held)</li> </ul>
	Spouse and children under legal age	–	–	–	–
2.	Mr. Wirat Uanarumit	15,500	155,000	–	(No trading transaction of PTT shares in 2018)
	Spouse and children under legal age	–	–	–	–
3.	Mr. Auttapol Rerkpiboon	22,500	225,000	–	(No trading transaction of PTT shares in 2018)
	Spouse	4,300	43,000	–	–
	Children under legal age	–	–	–	–
4.	Mr. Wittawat Svasti-xuto	55,451	554,510	–	(No trading transaction of PTT shares in 2018)
	Spouse and children under legal age	–	–	–	–
5.	Miss Pannalin Mahawongtikul	N/A	288,120	–	<ul style="list-style-type: none"> <li>Appointed and on secondment as a senior executive, Finance and Accounting, PTTEP, and returned to PTT as CFO on October 1, 2018</li> <li>(No trading transaction of PTT shares in 2018)</li> </ul>
6.	Mr. Kris Imsang	10,000	100,000	–	(No trading transaction of PTT shares in 2018)
	Spouse and children under legal age	–	–	–	–
7.	Mr. Noppadol Pinsupa	13,600	136,000	–	(No trading transaction of PTT shares in 2018)
	Spouse	50,800	508,000	–	–
	Children under legal age	–	–	–	–
8.	Miss Peangpanor Boonklum	–	–	–	(No PTT share held)

No.	Name	Shares			Remarks
		Dec 31, 2017 At Par Value 10 Baht	Dec 31, 2018 At Par Value 1 Baht	Change during the year	
9.	Mrs. Arawadee Photisaro	N/A	–	–	* Appointed on October 1, 2018 (No trading transaction of PTT shares in 2018)
	Spouse	N/A	1,140	–	–
	Children under legal age	N/A	–	–	–
10.	Mr. Preecha Pocatanawat	N/A	–	–	* Appointed on October 1, 2018 (No PTT share held)
11.	Mr. Disathat Panyarachun	N/A	–	–	* Appointed on October 1, 2018 (No PTT share held)
	Spouse and children under legal age	N/A	–	–	–
12.	Mr. Worawat Pitayasiri	N/A	–	–	* Appointed on October 1, 2018 (No PTT share held)
	Spouse and children under legal age	N/A	–	–	–
13.	Miss Duangporn Thiengwatanatham	N/A	77,000	–	* Appointed on October 1, 2018 (No trading transaction of PTT shares in 2018)
14.	Mr. Phongsthorn Thavisin	N/A	10,000	–	* Appointed and on secondment as President & CEO at PTTEP on October 1, 2018. (No trading transaction of PTT shares in 2018)
	Spouse	N/A	7,000	–	–
	Children under legal age	N/A	–	–	–
15.	Mr. Atikom Terbsiri	–	–	–	(No PTT share held)
	Spouse and children under legal age	–	–	–	–
16.	Mr. Supattanapong Punmeechaow	–	–	–	(No PTT share held)
	Spouse and children under legal age	–	–	–	–
17.	Mr. Sukrit Surabotsopon	2,000	20,000	–	(No trading transactions of PTT shares in 2018)
	Spouse and children under legal age	–	–	–	–

No.	Name	Shares			Remarks
		Dec 31, 2017 At Par Value 10 Baht	Dec 31, 2018 At Par Value 1 Baht	Change during the year	
18.	Ms. Jiraphon Kawswat	–	–	–	On secondment Acting as President & CEO at PTT Oil and Retail Business PLC (PTTOR) on July 1, 2018. (No PTT share held)
19.	Mr. Chawalit Tippawanich	N/A	10,000	–	* Appointed and on secondment as President & CEO at Global Power Synergy PLC on October 1, 2018 (No trading transactions of PTT shares in 2018)
	Spouse and children under legal age	–	–	–	–
20.	Miss Duangkamol Settanung	N/A	80,000	–	* Appointed and on secondment as Executive Vice President, Finance and Accounting, GC, on December 1, 2018 (No trading transactions of PTT shares in 2018)
21.	Mr. Sumrid Sumneing	7,000	70,000	–	(No trading transactions of PTT shares in 2018)
	Spouse and children under legal age	–	–	–	–
22.	Miss Wilaiwan Kanjanakanti	3,699	36,990	–	(No trading transactions of PTT shares in 2018)
23.	Mr. Chienvit Udomwatwong	1,516	15,160	–	(No trading transactions of PTT shares in 2018)
	Spouse and children under legal age	–	–	–	–

**Note:**

No PTT share was held by executives' spouses and children under legal age, except those of No. 3, 7, 9 and 14.



## Securities Portfolios of Executives Transferred/ Retired, 2018

No.	Name	Shares			Remarks
		Dec 31, 2017 At Par Value 10 Baht	Dec 31, 2018 At Par Value 1 Baht	Change during the year	
1.	Mr. Tevin Vongvanich	25,000	N/A	N/A	End of employment contract on August 31, 2018 (No trading transactions of PTT shares during his office in 2018)
	Spouse and children under legal age	–	–	–	–
2.	Mrs. Nitima Thepvanangkul	41,000	N/A	N/A	Retired on September 30, 2018 (There was trading transactions of PTT shares during her term in 2018)
	Spouse and children under legal age	–	–	–	–
3.	Mrs. Sriwan Eamrungrroj	–	N/A	N/A	Retired on September 30, 2018
	Spouse	110,200	N/A	N/A	There was trading transactions of PTT shares during her term in 2018)
	Children under legal age	–	–	–	–
4.	Mrs. Boobpha Amornkiatkajorn	70,000	N/A	N/A	Retired on September 30, 2018 (No trading transactions of PTT shares in 2018)
	Spouse and children under legal age	–	–	–	–
5.	Mr. Somporn Vongvuthipornchai	–	N/A	N/A	Retired on September 30, 2018 (No trading transactions of PTT shares during his tenure in 2018)
	Spouse	10,000	N/A	N/A	–
	Children under legal age	–	–	–	–

No.	Name	Shares			Remarks
		Dec 31, 2017 At Par Value 10 Baht	Dec 31, 2018 At Par Value 1 Baht	Change during the year	
6.	Mr. Termchai Bunnag	–	N/A	N/A	Retired on September 30, 2018 (No PTT Share held)
	Spouse and children under legal age	–	–	–	–
7.	Mr. Athavuth Vikitsreth	–	–	–	Returned to GC on December 1, 2018 (There was trading transactions of PTT shares during his term in 2018)
	Spouse	2,000	N/A	N/A	–
	Children under legal age	–	–	–	–

**Note:**

PTT has issued and offered 60,000,000 warrants to the President, management, PTT employees, and employees of PTT Group companies seconded to PTT, consisting of two batches: PTT-W1 (40,000,000 units), offered in 2005, with the last exercise date on August 31, 2010, and PTT-W2 (20,000,000 units), offered in 2006, with the last exercise date on September 28, 2011. All warrants were exercised, and no new ones have been issued.

## 6. Filing of Assets and Debts to NACC

Under Article 39 of the Anti-Corruption Act B.E. 2542 (1999), PTT's directors and senior management, including directors and senior management in the companies where PTT holds more than 50% of shares, are required to file a list of their own assets and debts, including those of their spouses and children not yet of legal age, to the NACC each time they take up a position, every three years during their terms, and after leaving their positions. To achieve this, PTT will issue a reminder to each of the directors and senior management as required.

## 7. Declaring Vested Interests at Meetings

At each Board meeting, the Chairman reminds directors to conform to the policy on conflicts of interest on all agenda items, which requires those with vested interests to declare such interests to the meeting to abstain from voting or giving any views. This year, a total of 11 notices were made to the Chairman out of 16 Board meetings.

## 8. Review of Connected Transactions

The Audit Committee reviews related transactions and those with potential conflicts of interest that could harm PTT's businesses. These have been examined for conformance to the law and SET's criteria. All these must be reported to the Board for approval.

## 9. Corporate Governance Promotional Activities

The Corporate Governance Committee (CGC) provides oversight, monitors, and assesses the outcomes concerning PTT's CG and anti-corruption. It issues policies and guidelines to the Corporate Governance Management Committee (CGMC). This year CGMC changed its name to the "Governance Risk and Compliance Management Committee" (GRCMC), with additional roles and duties covering good governance, operational risks, internal control and corporate compliance, including a state enterprise anti-corruption operation center chaired by a senior executive vice president and reporting directly to CGC. GRCMC implements the CG and anti-corruption operating plans and sets goals and KPIs approved by CGC and the Board. This year's tasks, both initiated and constantly developed, are described below:

- Delegated to the top management the driving of the corporate value strategy by appointing the COO, Upstream Petroleum & Gas Business Group, to the post of I Champion (Integrity & Ethics Champion) to found the Integrity Power Club among employees. The club is to attract employees as members to jointly engage in activities promoting awareness and expression of integrity by refusing all corrupt practices.

- A channel for directly communicating with all common shareholders is a quarterly, bilingual newsletter called "PTT Bizway", mailed to shareholders. It contains key information, including the vision, missions, message from the President & CEO, performance outcomes, CG, and PTT's sustainability management, business information, among others. PTT annually develops an evaluation form; this year the "attitude of shareholders toward PTT" scored 83.62%.
- For new employees, the CG principles are communicated through orientation sessions, with tests to assess their knowledge under the CG E-Learning system. This year there were three batches, each 60-80 persons. All new employees receive a CG handbook each. They were to study them and sign their names as acknowledgment for implementation on their jobs.
- It also developed CG E-learning (self-learning) on the intranet as a learning media for CG, the Code of Conduct, and anti-corruption measures for all employees. Simulated situations drummed up awareness and enabled employees to apply what they learned from their self-learning experience to real-life situations as seen fit. At the end of the learning program, there was a test of their understanding. To date, 3,377 employees (90.83% of the workforce) have joined the CG E-learning experience.
- Developed questionnaires on the Code of Conduct and anti-corruption through internal communication channels, the results of which would be used for developing relevant activities. The questionnaires assessed employees' CG understanding. The results showed good understanding at 89.28%; communication showed good to very good satisfaction, at 85.20%, and employees' views about PTT operation, 87.78% agreed.

- Periodic promotional campaigns were conducted through various media within PTT, including exhibitions, a CG intranet website, and two-way communication channels through cghelpdesk@pttplc.com, video shows, CG Comics, and the CG See Through column in the "PTT Spirit" magazine, CG reminders CG Tips through internal email on Page: CG Channel in PTT Workplace to communicate CG movements together with knowledge tips and participation in activities of interest. In addition, topics dealing with QSHE, SPIRIT, CSR, CG Talk have entered meeting agenda (agenda-based meetings) at all units to convey CG messages and promote awareness of CG-filled business conduct, including meetings of the MC.
- Staged a CG Camp, Year 4, to allow representatives from different units to intensively observe and learn CG and anti-corruption practices to apply what they learn to real-life work while championing the cause among colleagues. This formed part of "strengthening from the inside" under PTT's strategies. At the camp, a workshop on "Work Smart with PTT CG", using a psychological approach to assess the CG levels of individuals and a CG-based activity on compliance with CG.
- Organized PTT Integrity Forum 2018 for the second year to promote employees' adherence to good deeds according to SPIRIT. In 2018 the forum was organized under the theme of steering PTT toward a transparency organization through organization culture of good governance, risk management and internal control, compliance (GRC), and drive the organization to operate in accordance with the Three Lines of Defense.

- PTT values PTT Group's CG to align with company management in the "PTT Group" management approach, appointing a PTT Group Corporate Governance Committee to elevate CG standards among PTT Group to comparable levels, define work plans and a proactive PR approach. A PTT Group CG Day was continually organized to campaign, promote, and publicize CG practices among six SET-listed PTT Group companies (PTT, PTTEP, GC, TOP, IRPC, and GPSC). External guests of honor continued to join the event, including representatives from SET, SEC, IOD, Anti-corruption Network Foundation, and the Office of the Auditor General of Thailand, together with business partners, Board members, executives, and employees of PTT Group companies. This year TOP hosted the event, entitled "PTT Group CG Day 2018: Born to be REAL" to express the strong determination of PTT Group in the organization development under good governance and its readiness to drive the organization through technology and innovation under the ethics of "sufficiency, discipline, integrity, volunteer spirit." The day's activities also featured a special lecture on "When the world is driven by technology.... How will CG move?" by PTT Group leaders who shared their visions in balancing management to build trust and serve the expectations of all stakeholders.
- Striving to upgrade its CG standard, PTT shared this knowledge with external parties by agreeing to requests for visits by assorted organizations/institutions and educational institutions. PTT's top management was also invited to give various talks or join seminars on the subject.



## 10. Anti-corruption

- PTT defined its annual work plan in line with the national strategies on the prevention and suppression of fraud, phase 3 (2017-2021) by defining guidelines concerning anti-corruption as part of its business ethics and code of conduct, including a code of conduct on vested interests and conflicts of interest, on accepting and giving presents, assets, or other benefits. PTT absolutely does not support bribery.
- In 2010, PTT enlisted in the declaration of intention to join Thailand Private Sector Collective Action Coalition against Corruption (CAC), an endeavor of the Thai Institute of Directors (IOD) with the support of the government and NACC. PTT was one of the first 27 companies to do so.
- In 2012, PTT joined the United Nations Global Compact (UNGC) to show its desire to apply the principles of human rights, labor rights, environmental preservation, and anti-corruption at the international level to its business conduct. PTT presents an update of its compliance with the 10 elements of UNGC in its corporate sustainability report.
- Policy announcement:
  - Since 2014, PTT has begun enforcing PTT's and PTT Group's anti-corruption policies across each organization. It requires the Anti-Corruption Policy as a part of PTT's Corporate Governance, Ethics Standards, and Code of Conduct Handbook and requires PTT Group's Anti-Corruption Policy as part of the PTT Way of Conduct so that PTT Group companies may observe the same standards and management approaches and that all companies may achieve synergy under the investment objective. PTT's Anti-Corruption Policy forbids PTT's employees to carry out or participate in corrupt practices as well as any bribery giving or acceptance (direct and indirect). They must seriously observe the Anti-Corruption Policy, which covers various processes, including donation to charities, human resource administration, material procurement, and internal control.
  - In 2015, PTT declared its "No-Gift Policy" for any festive period. In 2016-2017 it enforced practical guidelines under PTT Group's policy on giving and accepting gifts, entertainment, or other benefits to establish a higher standard for business practices in the hope of having all employees perform to the best of their ability without expecting benefits. To this end, a letter was sent to business partners and external agencies, and signboards were put up on the premises of PTT along with assorted PR channels. PTT was the prototype company of Thailand to truly enforce this policy.
- Communication, training, and highlights of tasks:
  - PTT communicates its Anti-Corruption Policy and guidelines to its subsidiaries, associates, and other PTT-controlled companies, business partners, and stakeholders, as well as the public, through assorted channels like letters, e-mails, website, PTT Intranet, seminars, and exhibitions so that all stakeholders may acknowledge and conform to PTT's guidelines.
  - PTT establishes constant communication with and training for its employees to develop true understanding about PTT's anti-corruption measures, expectations, and punishment for violators, including orientation sessions, an ethics curriculum, and CG E-learning. It also arranges for its executives and employees to join external training courses on anti-corruption.
  - Conforming to CAC's certification process, PTT retained CAC membership for the second consecutive year on May 17, 2018.

- The use of IT systems under the PTT Intranet, to serve as a key tool for all PTT employees to show their transparency, namely a system to pre-report PTT Group securities trading to prevent insider trading and a system to report employees' acceptance of presents, assets, or other benefits in view of the No-Gift Policy so that employees who find it inevitable to accept such items and cannot return them to their givers can deliver such items for collection and donation for public use.
- PTT's hope is that it will become part of a transparency network for a strong Thai society. To this end, it promoted and pushed its business allies to declare their own intention to join CAC to lower corruption risks across their supply chains. This year it informed business partners to actively urge them to join CAC at the Annual Supplier Seminar at Khanom Gas Separation Plant and a Supplier of Project Engineering Unit Seminar.
- Recognizing that corruption undermines the nation, PTT values work integration and anti-corruption networking with the public and private sectors to drive anti-corruption suppression through several activities, such as joining the National Anti-Corruption Commission (NACC) in developing action plans on anti-corruption in state enterprises, co-hosting a National Moral Assembly, Anti-Corruption Day, and developing a master plan and action plan on enhancing PTT's morality for the National Morality Promotion Committee, Department of Religious Affairs, Ministry of Culture.

- Oversight and monitoring of performance:
  - The Board ensures that PTT commands an efficient system in support of anti-corruption to ensure that the management recognizes and values anti-corruption and cultivates it as a corporate culture.
  - The Audit Committee supervises internal control, financial reporting, and other procedures related to anti-corruption measures, steers conformance to anti-corruption measures, and reviews applicable measures and internal control to ensure that the measures are adequate and effective. The committee reviews risk assessment and provides recommendations to the Board on suggested practices to mitigate such risks. Executives must implement such recommendations. The committee also regularly reports internal-audit outcomes regarding anti-corruption measures to the Board and provides good practices to the Board and the executives.
  - The Corporate Governance Committee annually defines and reviews the Anti-Corruption Policy, provides recommendations and guidelines, monitors, and assesses anti-corruption performance.
  - The Enterprise Risk Management Committee steers and advocates risk management practices related to anti-corruption by assessing corruption risks and reviewing anti-corruption measures for adequacy and suitability.
  - Executives establish risk assessment for business processes that may lead to corrupt practices, review the suitability of processes and measures, and personify proper behavior as well as communicating it to all employees and related parties.

- PTT has developed a Corruption Risk Assessment Manual for all units to apply as guidelines for assessing corruption risks in their respective business processes and for defining suitable internal control processes. This year two classes of Corruption Risk Management training were organized to forge knowledge and understanding of international standards on corruption risk management and relevant internal measures for employees to apply in their day-to-day work.
- PTT establishes procedures for maintaining auditable documents and records to confirm the accuracy and suitability of financial reports. The internal control of accounting processes and information storage is audited to verify the effectiveness of anti-corruption processes and ensure that the entry of financial items is well-evidenced for audit.
- The Office of Corporate Audit examines items of potential conflicts of interest, the likelihood of corruption, and corporate efficiency for managing risks arising from corporate corruption and those at operating levels. The office also reviews business ethics principles and the code of conduct for executives and employees. It reviews and reports to the Audit Committee and top executives immediately when encountering items or actions that could harm PTT's performance outcomes, including corruption.
- Measures, scope, and tools for whistleblower protection:
  - PTT's human resource administration process reflects its commitment to anti-corruption measures. Although refusal to take part in corruption may deprive PTT of business opportunities, its policy is not to demote, punish, or harm those that do so.
  - PTT's employees should not ignore actions in potential conflicts with anti-corruption measures. PTT has established channels for whistleblowing and protection of whistleblowers or those that need advice about conformance to anti-corruption measures.
  - PTT has established a requirement for complaint-making and whistleblowing to define applicable criteria and guidelines that are suitable and uniform throughout the corporation. In place are protective measures and fair treatment of whistleblowers or those that provide information. In 2018, PTT MC approved a revision of the guidelines for the consideration of corruption cases to conform to the corruption prevention and suppression in the public sector measures of the National Council for Peace and Order (NCPO), established to resolve corruption seriously, strictly, and more efficiently.
- Punishment
  - PTT has established a suitable and fair process for punishing violators of anti-corruption measures. Any violation of this policy, direct or indirect, calls for disciplinary review under PTT's regulations, consisting of fact-finding, investigation, punishment, and appeal. They could also lead to punishment by law. Employees must therefore master and strictly conform to the Anti-Corruption Policy in every step of their work.

## Audit Fee

The company and its subsidiaries paid audit fees to auditor's office for the completed accounting period total amount of THB 135,509,583 (One hundred thirty-five million five hundred nine thousand five hundred eighty-three Baht). Moreover, the company and its subsidiaries paid non-audit fees including Global Medium-term notes Auditing fee, Comfort Letter Risk Management Advisory fee, professional fees for certifying financial statements submitted to the Revenue Department, and other fees in the past accounting year total amount of THB 32,047,786 (Thirty-two million forty-seven thousand seven hundred eighty-six baht)

## Compliance with CG in other areas

According to a survey on PTT's CG conducted by the Thai IOD, the overall score given to PTT on the CG principles for listed companies in 2018 was regarded as "excellent". On average, PTT earned a higher overall score and individual category scores than the field of 657 companies, and higher than the average score of SET 50 companies. The survey result was based on PTT's public information. This year PTT commands good guidelines apart from the survey criteria which can serve as best practices for other listed companies such as:

- The current Chairman of the Board, an independent director, exercises freedom in assigning policies and guidance for PTT management.
- PTT requires that independent directors make up at least half of its directors.
- Because under the Budget Procedures Act B.E. 2561 (2018), PTT is regarded as a state enterprise, so the Audit Committee endorsed the appointment of the State Audit Office of the Kingdom of Thailand (a credible, neutral agency) as PTT's external auditor. The committee has secured the Board's endorsement for approval by the shareholders, who will appoint and approve its audit fees.

- The Corporate Governance Committee at Meeting No. 6/2561 (2018) of December 18, 2017, and Board Meeting No. 12/2561 (2018) of December 21, 2018, acknowledged the Corporate Governance Code (CG Code) issued by SEC. They recognized very well their role as a governing body for the corporation by implementing CG principles in supplementing sustainable values for business. Having assessed PTT's compliance with the CG Code point by point and in detail, in comparison with PTT's CG Policy and actions, they viewed PTT as having a policy, measures, and work processes that align with CG Code guidelines, in addition to commanding short-term and long-term plans to develop PTT's CG system to suit its business growth and trends among international leading companies.

This year PTT has observed CG, though it may not have fully covered the criteria of the Corporate Governance Report of Thai Listed Companies and the ASEAN CG Scorecard in the following aspects:

1. Board composition of 5-12 directors

PTT Regulations (Articles of Association) call for 5-15 directors. Today it has a total of 15 directors, which agrees with the requirement for petroleum businesses that needs experts from a variety of professions. The Board has appointed five committees to screen key matters, namely the Audit Committee, the Nominating Committee, the Remuneration Committee, the Corporate Governance Committee, and the Enterprise Risk Management Committee.

*(The number of subcommittee meetings has been detailed under "Board Meetings")*

2. Director election through cumulative voting

PTT's regulations call for director election to be decided by a majority of votes. Each shareholder carries votes equal to his or her number of shares. In addition, PTT has consistently devised other ways to preserve the rights of minor shareholders, including its encouragement for them to exercise their right to nominate additional agenda items or nominate directors in advance.





## Internal Control and Risk Management

### Internal Control System

PTT has placed great emphasis on internal control by focusing on a system that is comprehensive in all activities as well as adequate and suitable for businesses, to achieve objectives on:

1. **Operation:** To ensure efficient, effective management of resource consumption, together with stewardship of assets through prevention or reduction of errors, damage, waste, or fraud
2. **Reporting:** To ensure that financial and other reports are developed for both internal and external use are accurate, transparent, credible, and timely
3. **Compliance:** To ensure the implementation of all laws, regulations, directives, Cabinet resolutions, and policies, which include PTT management's protocols dealing with the organization's business.

PTT has established an office that is responsible for internal control system. The President & CEO has authorized the Governance, Risk, and Compliance Management Committee (GRCMC) to steer working procedures under PTT's internal control standards, appraise the outcomes, and generate report on PTT's internal control. Assigned by the

Board of Director, the Audit Committee are assigned to review the internal control evaluation that is annually conducted by the management and the Office of Corporate Audit.

At PTT, Evaluation Internal Control under the five key components of The Committee of Sponsoring Organizations of the Treadway Commission (COSO), these aspects are implemented as detailed below.

### 1. Control Environment

PTT requires a sound control environment that is adequate and effective for business. The executives promote a corporate culture that focusing on integrity and ethics as a role model with the following implementation:

- PTT has formulated a formal policy and protocols, called the Corporate Governance, Ethical Standards and Code of Business Ethics Handbook, which imposes the best practices to all directors, executives, and staff. As a part of corporate core values of SPIRIT, "Integrity and Ethics" accentuates all employees to work transparently. The Corporate Governance

Committee keeps CG policy in line with international standards. Disclosures are made about conflicts of interest to ward off activities of such conflicts and illegal and improper activities. The policy and the handbook are revised each year. Each director, management team member, and employee is required to sign his or her name to acknowledge and conform to such policy and handbook as part of their work, illustrating the commitment to concretely applying the CG policy and code of conduct.

- PTT has instituted an organizational structure that decentralizes power for job flexibility and alignment with prevailing circumstances. Duties and responsibilities are defined in writing, with definitions of key performance indicators (KPIs) set early in the year as guidelines for employees' performance. Performance is regularly monitored against goals and measured. Goals are revised each year. All employees are aware of their roles, authority, duties, and responsibilities.
- PTT has integrated CG with the organization's vision, missions, and values by setting a goal for PTT as a company with "sustainable growth for all", a high-performance multinational energy company with excellent capability for growing its competitiveness and a focus on creating shared value (CSV), with due benefit to stakeholders on the basis of CG.
- PTT has defined a verbal policy and procedure for human resource development, and procedures for planning and administering for overall workforce in both short term and long term. Analysis and revision of the workforce are conducted in order to make all actions compatible with business directions. And also, exercises down to relevant units to prepare for recruitment and prepare expenditure budget to meet requirement of given tasks.

### 2. Risk Assessment

PTT recognizes the significance of risk management under changes that impact its businesses both from internal and external factors. Viewing risk management as a key component of every business process which must be linked with one another, PTT therefore defined a policy of corporate risk management that all must conform to. At every level, risks should be assessable. As for corporate risks, management is systematically undertaken by PTT's various committees. Operational risks fall under the oversight of respective executives. An Enterprise Risk Management Committee (ERMC) was set up by the Board to steer and support corporate risk management in line with business strategies and goals as well as changing circumstances and provide recommendations on guidelines for monitoring and assessment to the Enterprise and Risk Management Plan Committee to manage overall risks for maximum efficiency. All units are committed to manage and contain risks at manageable level, as clearly stated in the functional descriptions of all units.

### 3. Control Activities

The Management Committee is authorized to review the reports, financial and otherwise, of all business groups and regularly reviews performance to ensure conformance to regulations, protocols, and job manuals. PTT has defined policies and procedures in writing, including those for performance assessment of all employees, which relies on KPIs to make control of administrative activities suitable, adequate, and auditable. Portions of businesses have been identified for key risks, and mechanisms defined to control and minimize errors. Regular performance reviews by the management are in place, including financial, procurement, and general administrative transactions. Systematic delegation of duties to personnel groups ensures checks and balances. Authority is duly and totally segregated for approval, information processing, transaction recording, receipt and disbursement of cash, reviews of inspection and stewardship of properties. In place is an internal control system for finance and accounting, dealing with cash collection, cash retention, receipt and disbursement, bank deposits, and cash advances. These follow rules with complete, accurate, and regular recording. Systematic storage of accounting documents, both documents and information, is in place to comply with the law.

In procurement, PTT follows rules and requirements on materials and supplies, which clearly define responsible parties, including the authority, approval limits, supply need assessment, inspection, control and storage of supplies, and property counting. As for human resource administration, PTT has systematized human resource administration, complete with adequate monitoring and assessment, covering recruitment, determination of compensation, duties and responsibilities, personnel development, performance, and communication so that employees achieve competency under this suitable and efficient system.

Should PTT enter into transactions with the major shareholder, directors, management, or related parties, PTT would apply firm measures to ensure that each such transaction goes through the required approval procedure every time and for every item. Parties of vested interests will not take part in the approval of such an item. PTT also closely monitors subsequent actions.

In addition, PTT values security, safety, occupational health, and environment (SSHE), which is likened to a vital shield against risks or impacts, and efficiently and effectively lowers potential losses suffered by its employees, assets, work processes, data, and the surroundings. This would bring about business sustainability while extending corporate performance in all aspects of excellence for vision and goal attainment. The Board looks after, monitors, and provides policies as well as recommendations on SSHE, which PTT then applies as its control activities through the PTTMC, led by the President & CEO, PTT Group QSHE Policy Committee, and PTT QSHE Committee, which screens and steers management practices at the operating level for PTT Group and PTT. To this end, centralized functions are SSHE and Corporate Quality Management. This year a presentation on the key SSHE KPI performances was given to the PTTMC for review, direction, and comments once a month. SSHE management actions are detailed in the Corporate Sustainability Report 2018.

## 4. Information & Communication

This year PTT defined a corporate vision and mission that emphasize the strategy for growth enabling into Top Quartile Performance in a sustainable way while pursuing New S-Curve business opportunities for leapfrogging growth while developing technology and innovation in parallel with the identification of opportunities to fulfill the Thailand 4.0 policy, which stresses economy drives with innovation. Therefore, to give efficiency to digital management, which embraces information systems and data communication while aligning with corporate direction change, PTT set up the Technology and Engineering functional structure to centralize responsibility and drive technological and innovation application (from inside and outside PTT) to create value-added and new businesses.

This year the Board therefore approved and drove Digital Roadmap execution, creating innovations to raise operating efficiency, lowering operating costs and expenses for business competition by focusing on meeting the needs of all stakeholders thoroughly and equitably. For instance, development of the Smile Trade system as part of the support to strategies of the International Trading Business Unit. This system hikes the efficiency of the control and commercial risk management in several aspects, ranging from risks associated with business partners before trade engagement, price and commercial risk assessment (profit/loss), to the payment process. This move accommodates growth of the International Trading Business Unit in the foreseeable future to handle increasing and more complex business growth and to embrace trading of new commodities while competing for trade advantages. A case in point is the growth of the EV and the energy policy bent on promoting domestic EVs, which prompted PTT to develop commercial wall chargers to accommodate EV growth together with the development of EV charging platforms embracing the entire process from communication with EV chargers, online payment, data management, flexibility, to ease of application,

including mobile application to accommodate performance in wide-ranging areas. To this end, PTT in cooperation with PTT Oil and Retail Business Plc (PTTOR) and Energy Complex Co., Ltd. (EnCo) installed EV charging platforms for EnCo service users. The group is looking to expand this according to its plan, which includes the Predictive Asset Maintenance (PAM) Project, designed to add efficiency for operational excellence. In view of the fact that maintenance work is time-based with manual data recording, PTT introduced IoT sensors to transmit real-time data for performing failure prediction with higher efficiency of access, projections, and data analysis. This move indeed makes maintenance work more efficient and prolong life-time usage as well as turnaround/preventive maintenance expenses, and minimizes unplanned shutdowns. In addition, PTT introduced Big Data analytics technology that compile, in-depth analyze, and add value to the data by focusing on work process modification for efficiency for the likes of HR management and procurement processes for optimal business benefit.

The Board also values the ICT aspect of infrastructural preparedness to add OEMS efficiency by expanding internet bandwidth for greater capability to accommodate operational technology (OT) and information technology (IT) in parallel with the recognition of cyber-security. Plans were made and equipment were installed to ward off cyber-threats. Several protective measures were put in place, including internet threats. Detection of severe threats and monitoring of threats hidden through various channels, including E-mails. To control access, PTT limits access by certain users. It prevents threats for users of devices by allowing only those that can be used in PTT's network. Besides development in hardware and software, PTT together with PTT Digital Solutions (PTT Group's digital service provider) formed a Cyber-Security Operation Center to handle cyber-threats by appointing a working group to design cyber-security work processes.

To match the strategy of seeking new business opportunities, PTT and capable allies formed cooperation in development of digital technology and innovation, including financial innovation development to drive the national economy for concrete flexibility of financial transactions together with nine leading commercial banks using Blockchain technology. Another example is the Wang Chan Valley Development Project in the EECi zone, with digital driving of a Smart City and Deep Technology Development cooperation with leading global technology firms.

## 5. Monitoring & Evaluation

### Control Self-Assessment (CSA)

To ensure all stakeholders that PTT's business operations will achieve the objectives of business and resource consumption efficiency and effectiveness, and also the stewardship of assets, prevention or reduction of losses, corrupt practices, credibility of financial and operation reports, as well as compliance with laws, regulations, requirements, Cabinet resolutions, and policies (including PTT management's protocols), PTT has integrated internal control as everyone's obligation, part of the routine operation of the management and all employees. A unit under Corporate Strategy (Internal Control and Risk Management) under the EVP, Corporate Governance, which supervises internal control, annually assesses Control Self-Assessment (CSA) within PTT in two forms:

1. Control self-assessment questionnaire: An individual internal control assessment form for vice presidents upward under PTT's structure as well as executives on secondment at PTT Group companies

Internal Control and Risk Management compiles data and develops an information system for a list of key controls. The effort consists of data on task description (FD), committee appointment orders, five-point COSO Internal Integrated Framework (namely control environment, risk assessment, control activities, information & communication, and monitoring). The response format was also developed as an e-CSA for executives to assess and look through the assessment reports with internal intranet. To enable the control self-assessment form to incorporate more activities under the key processes for individuals, this year Internal Control and Risk Management amended questions for conciseness and alignment with the fundamental principles of defining suitable internal control measures for juristic persons' prevention of bribery of public officials under Article 176 of NACC.

2. Internal control health-check: This involves workshops to assess internal control at the activity level with a focus on process control. Assessment outcomes and plans to improve internal control must have the buy-in of work process owners and monitoring by supervisors.



This year PTT focused on assessing internal control of key processes by applying COSO's five components of internal control and 17 principles together with the GRC (Governance, Risk, Compliance) to the assessment of a given unit. Consideration was given to the adequacy (Present) and efficiency/effectiveness (Functioning) of key control points. PTT also developed approaches/plans for internal control so as to achieve continuous system development, promote, and foster the awareness of internal control to serve as a basis for future internal control system design.

This year the Office of Corporate Audit also reviewed internal control practices to ensure that they are adequate, suitable, and consistently practiced. If a given item needed improvement, procedures would be defined to ensure that audit and review findings are promptly remedied. The office also reviewed internal control assessment outcomes and reported them to the Audit Committee. It indicated no significant problems or shortcomings, a view shared by the external auditor. In summary, PTT's internal control system was considered adequate and effective from a business standpoint.

## Internal Control System

The Office of Corporate Audit is an independent unit which directly reports to the Audit Committee. It fosters assurance and provides consultation to ensure that business processes are duly equipped with CG, risk management, and sound internal control practices, as well as GRC in support of PTT's objectives.

The office commands an annual operating plan and three-year audit plans in line with PTT's business strategic directions and a risk-based approach to key corporate risk, encompassing PTT Group's businesses, both domestic and international. It reports findings to the Audit Committee for consideration and forwarding them to the Board for acknowledgment every quarter. Regular monitoring is undertaken for actions in response to the office's recommendations. In its course of work, the office freely expresses its opinions. No conflicts have arisen between audited units and the office that cannot be resolved.

## Head of the Office of Corporate Audit



**Mr. Chalot Boonlai**  
Head of the Office  
of Corporate Audit  
Age 58

### Education

- Bachelor of Engineering (B.Eng.), Chulalongkorn University
- Master of Public Administration (M.P.A.), Burapha University

### Training

- Leadership Development Program:  
Center for Creative Leadership, Singapore
- MDD III Business & People Management Program, PLLI
- Anti-Corruption for Executive Program, Thai IOD
- Finance for Senior Executives, Sasin Graduate Institute  
of Business Administration of Chulalongkorn University

### Career experience

- 2009 - 2012 Manager, Maintenance Section, PTT
- 2010 - 2012 Vice President, Production Department,  
Thai Lube Blending Co., Ltd.
- 2012 - 2013 Vice President,  
Strategy & Audit Quality Development Department, PTT
- 2013 - 2014 Vice President, Internal Audit Department, PTT
- 2014 - 2017 Acting Managing Director,  
Thai Petroleum Pipeline Co., Ltd.
- Since 2017 Executive Vice President,  
Office of Corporate Audit, PTT

**Relevant important position:** None

**Relationship with the management:** None

## Head of the Office of Corporate Audit

At Meeting No. 7/2560 (2017) of July 21, 2017, the Board appointed Mr. Chalot Boonlai Executive Vice President, Office of Corporate Audit, with effect from August 16, 2017, citing his mastery of PTT's business. Equipped with expertise, skills, and experience in internal audit, he is familiar with PTT's undertaking, good governance, risk assessment, and internal control at the business and overall levels and was therefore regarded as suitable for the position. The Audit Committee approved the appointment, transfer, performance assessment, and annual merit pay increase of this position.

## Compliance Mechanism

PTT enforces the Compliance Policy and Compliance Framework for adherence by all directors, management, and the workforce as work tenets in strict compliance with applicable laws, by-laws, regulations, directives, and announcements—both inside and outside the corporation. PTT has also monitored new laws applicable to its business, as well as draft legislation, including new draft acts, to prepare itself and clarify PTT's obstacles, or both (if any), so that PTT business may comply with emerging legislation. In addition, PTT drives management under “PTT Way / PTT Way of Conduct” for PTT Group companies to operate under the same direction, whether by policy definition and instruction, performance, compliance, or execution of investment under PTT's guidelines. The company also studied the GRC approach, design, and integration so that PTT business may command principles and good governance & internal control and be free of non-compliance risks. To this end, PTT Group has developed the GRC Framework to jointly define goals and strategies; amended roles and duties of applicable key agencies and reporting requirements to the Corporate Governance Committee; integrated risk assessment processes and monitored operators' performance efficiency and compliance; communicated and developed personnel; developed technology for higher GRC efficiency; connected data; selected pilot areas for risk assessment; defined and monitored risk management plans; and systematically reported outcomes to applicable committees.

## Compliance Unit

Compliance Department is structured under the Office of General Counsel. It is charged with ensuring that PTT's personnel would engage in all transactions and strictly comply with applicable laws, by-laws, rules, regulations, directives, and announcements—both inside and outside the corporation; oversight of legal matters involving investment, state enterprise laws, listed companies, energy laws, and other legislation relevant to PTT's businesses to ensure legitimate moves under all laws and regulations; counseling on legal issues for PTT's personnel and internal units to ensure compliance by all with the law and no disruption due to legal issues—to ensure that PTT's business sustainably achieve the zero non-compliance policy. Compliance reports to the SEVP, Office of General Counsel. (For profile details, please refer to PTT Executives' Profiles.)



# PTT Board of Directors

As of December 31, 2018



1. **Mr. Krairit Euchukanonchai**  
Independent Director/ Chairman
2. **Professor Dr. Kittipong Kittayarak**  
Independent Director/ Chairman of the Audit Committee
3. **Mr. Don Wasantapruerk**  
Independent Director/  
Chairman of the Nominating Committee
4. **Mr. Vichai Assarasakorn**  
Independent Director/  
Chairman of the Remuneration Committee/  
Member of the Audit Committee

5. **GEN. Chatchalerm Chalermsookh**  
Independent Director/ Chairman of the Corporate  
Governance Committee
6. **Mr. Thon Thamrongnawasawat**  
Independent Director/ Chairman of the Enterprise  
Risk Management Committee/ Member of the Corporate  
Governance Committee
7. **Mrs. Nuntawan Sakuntanaga**  
Independent Director/ Member of the Audit Committee
8. **Mr. Supot Teachavorasinskun**  
Independent Director/ Member of the Nominating Committee

9. **Professor Dr. Surapon Nitikraipot**  
Independent Director/ Member of the Nominating  
Committee/ Member of the Corporate Governance Committee
10. **Mr. Somsak Chotrattanasiri**  
Independent Director/  
Member of the Remuneration Committee
11. **Mr. Chumpol Rimsakorn**  
Director/ Member of the Remuneration Committee
12. **Mr. Danucha Pichayanan**  
Independent Director/ Member of the Enterprise  
Risk Management Committee

13. **Mr. Thammayot Srichuai**  
Director/ Member of the Enterprise  
Risk Management Committee
14. **Mr. Nuttachat Charuchinda\***  
Director (Effective from January 16, 2019)
15. **Mr. Kulit Sombatsiri\***  
Director (Effective from January 16, 2019)
16. **Mr. Chansin Treenuchagron**  
Director/ Secretary to the Board/ President  
and Chief Executive Officer



# PTT Board of Directors

As of December 31, 2018



Mr. Krairit Euchukanonchai  
Age 63  
Independent Director/ Chairman

## (%) Share Possession

- None

## Appointed

- July 11, 2018 (Chairman since September 7, 2018)

## Educations

- Bachelor of Science, Chulalongkorn University, Thailand
- Master of Business Administration (Finance and Banking), North Texas State University, Texas, USA

## Certifications

- Director Accreditation Program (DAP 59/2005), Role of the Chairman Program (RCP 16/2007), Thai Institute of Directors Association (IOD)
- Citibank's Banking Professional Training Programmes
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 12<sup>th</sup>), 2018, Thailand Energy Academy (TEA)

## Work Experiences

- 2006 - 2012 : Chairman and Chairman of the Risk Management Committee, Krung Thai Asset Management Public Company Limited
- 2010 - 2011 : Director, State Enterprise Policy Committee
- 2011 - 2012 : Director, PTT Exploration and Production Public Company Limited
- 2011 - 2012 : Director and Member of the Audit Committee, PTT Public Company Limited

- 1998 - Present : Chairman, V.Group Honda Cars Co., Ltd. and its Subsidiaries and its Associates
- 2014 - Present : Independent Director/ Chairman of the Audit Committee / Member of Nomination / Corporate Governance Committee, Advanced Info Service Public Company Limited
- 2015 - Present : Vice Chairman/ Chairman of the Board of Executive Directors/ Chairman of the Risk Management Committee, Krungthai Bank Public Company Limited
- 2017 - Present : Chairman, Mass Rapid Transit Authority of Thailand
- 2018 - Present : Independent Director/ Chairman, PTT Public Company Limited

## Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Independent Director/ Chairman, PTT Public Company Limited
- Independent Director/ Chairman of the Audit Committee/ Member of Nomination/ Corporate Governance Committee, Advanced Info Service Public Company Limited
- Vice Chairman/ Chairman of the Board of Executive Directors / Chairman of the Risk Management Committee, Krungthai Bank Public Company

## Relevant Important Positions in Non-listed Company/ Other Organizations

- Chairman, Mass Rapid Transit Authority of Thailand
- Chairman, V.Group Honda Cars Co.,Ltd. and its Subsidiaries and its Associates

## Relation among Family with other Directors and Executives

- None



Professor  
Dr. Kittipong Kittayarak  
Age 60  
Independent Director/  
Chairman of the Audit Committee

## (%) Share Possession

- None

## Appointed

- July 1, 2014; April 28, 2017 (re-elected)

## Educations

- Bachelor of Laws (Honor), Chulalongkorn University, Thailand
- Master of Laws (LL.M.), Cornell University, USA (Royal Thai Government Scholarship)
- Master of Laws (LL.M.), Harvard University, USA (Fulbright Scholarship)
- Doctor of the Science of Laws (J.S.D.), Stanford University, USA (Fulbright Scholarship)

## Certifications

- Director Accreditation Program (DAP 112/2014), Advanced Audit Committee Program (AACP 18/2015), Thai Institute of Directors Association (IOD)
- Barrister-at-Law, Institute of Legal Education Thai Bar Association
- Politics and Government in Democracy for Executives (Class of 5<sup>th</sup>), King Prajadhipok's Institute
- Diploma, The National Defence Course (Class of 49<sup>th</sup>), National Defence College
- Top Executive Program (Class of 8<sup>th</sup>), Capital Market Academy (CMA)
- Certificate, Executive Program in "Energy Literacy for a Sustainable Future" (Class of 1<sup>st</sup>), Thailand Energy Academy (TEA)
- Thailand's 5<sup>th</sup> National Conference on Collective Action Against Corruption ("Tackling Corruption through Public - Private Collaboration") (October 16, 2014)
- Seminar "Role and Function of Board of Directors of State Enterprise", State Enterprise Policy Office (June 5, 2015)

- Seminar Strengthen Good Governance of Directors of Public Enterprises, State Enterprise Policy Office (September 30, 2016)
- Seminar PTT Group AC Forum 2015
- PTT Board Briefing

## Work Experiences

- 2005 - 2008 : Deputy Permanent Secretary, Ministry of Justice
- 2008 - 2014 : Permanent Secretary, Ministry of Justice
- 2014 - 2015 : Advisor to the prime minister
- 2015 - Present : Executive Director, Thailand Institute of Justice (TIJ)

## Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Independent Director/ Chairman of the Audit Committee, PTT Public Company Limited
- Independent Director/ Member of the Corporate Governance and Social Responsibility Committee/ Member of the Compliance Committee, Krung Thai Bank Public Company Limited
- Independent Director, Dusit Thani Public Company Limited

## Relevant Important Positions in Non-listed Company/ Other Organizations

- Professor of Law, Faculty of Law, Chulalongkorn University
- Member of the Board of Committee, Thai Bar under the Royal Patronage
- Chairman, The Council of Bangkok University
- Vice Chairman of the University Council, Mahidol University
- Chairman of the Audit Committee, Mahidol University
- Sub-committee, the Judicial Administration Commission - Foreign Affairs Sub-Division
- Executive Director and Vice Chairman, Friends in need (of "PA") Volunteers Foundation Thai Red Cross
- Member of the Honorary Committee of Ramathibodi Foundation
- Member of the Executive Committee, ASIA Crime Prevention Foundation (ACPF)

## Relation among Family with other Directors and Executives

- None



**Mr. Don Wasantapruek**

Age 60

Independent Director/ Chairman of the Nominating Committee/ Authorized Director (effective August 19, 2016)

**(%) Share Possession**

- None

**Appointed**

- July 26, 2014; April 11, 2016 (re-elected)

**Educations**

- Bachelor of Industrial Engineering, University of New South Wales, Sydney, Australia
- Master of Industrial Engineering, University of New South Wales, Sydney, Australia

**Certifications**

- Director Accreditation Program (DAP 117/2015), Role of the Nomination & Governance Committee Program (RNG 7/2015), Thai Institute of Directors Association (IOD)
- Thailand's 5<sup>th</sup> National Conference on Collective Action Against Corruption ("Tackling Corruption through Public-Private Collaboration") (October 16, 2014)
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 6<sup>th</sup>), 2015, Thailand Energy Academy (TEA)
- Seminar "Incorporation of State Investment Corporation" (July 13, 2015)
- Briefing on International Anti-Corruption... International cases and practices, IOD (October 14, 2015)
- Seminar Anti-Corruption: Leadership Role of the Board in Driven the Organization toward the Draft of the Development of Corporate Governance and Enterprise Management Act ... and Good Corporate Governance (October 17, 2016)
- PTT Board Briefing

**Work Experiences**

2009 - Present : Self-employed

**Relevant Important Positions in Listed Company - The Stock Exchange of Thailand**

- Independent Director/ Chairman of the Nominating Committee, PTT Public Company Limited
- Independent Director/ Member of the Nomination & Remuneration Committee, PTT Global Chemical Public Company Limited

**Relevant Important Positions in Non-listed Company/ Other Organizations**

- None

**Relation among Family with other Directors and Executives**

- None

**Mr. Vichai Assarasakorn**

Age 58

Independent Director/ Chairman of the Remuneration Committee/ Member of the Audit Committee

**(%) Share Possession**

- None

**Appointed**

- September 4, 2014; April 28, 2017 (re-elected)

**Educations**

- Bachelor of Engineering, New South Wales University, Australia

**Certifications**

- Director Certification Program (DCP 215/2016), Thai Institute of Directors Association (IOD)
- Top Executive Program (Class of 12<sup>th</sup>), Capital Market Academy (CMA)
- Diploma, The Joint State - Private Sector Course (Class of 22<sup>th</sup>), National Defence College
- Thailand's 5<sup>th</sup> National Conference on Collective Action Against Corruption "Tackling Corruption through Public-Private Collaboration" (October 16, 2014)
- Seminar "Role and Function of Board of Directors of State Enterprise", State Enterprise Policy Office (June 5, 2015)
- Seminar "Re-energizing Growth through Better Governance", IOD (June 18, 2015)
- Seminar "Incorporation of State Investment Corporation" (July 13, 2015)
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 7<sup>th</sup>), 2015, Thailand Energy Academy (TEA)
- Seminar PTT Group AC Forum 2015
- Briefing on International Anti-Corruption... International cases and practices, IOD (October 14, 2015)
- CG Forum 4/2015 - Thailand CG Forum "Governance as a Driving Force for Business Sustainability", SET SEC and IOD (October 28, 2015)

- Seminar Anti-Corruption: Leadership Role of the Board in Driven the Organization toward the Draft of the Development of Corporate Governance and Enterprise Management Act ... and Good Corporate Governance (October 17, 2016)
- PTT Board Briefing
- Seminar "Electric Vehicles & Future Energy System: Recent Development and Implications" Petroleum Institute of Thailand (PTIT)

**Work Experiences**

- 1995 - Present : Director, ShiangHeng International Company Limited
- 2011 - October 2014 : Secretary-General, Anti-Corruption Organization of Thailand
- 2014- 2017 : Qualified Director, Financial Institutions Policy Committee, Bank of Thailand
- October 2014 - Present : Vice President, Anti-Corruption Organization of Thailand
- March 2013- Present : Vice Chairman, The Thai Chamber of Commerce
- 2015 - Present : Director, Assets Scrutiny Committee
- 2016- Present : Chairman of the sub-committee for the Private sector Mobilization of the National Anti-Corruption Strategy under National Anti-Corruption Commission
- 2017-Present : Commision Member in Business Administration, Office of Insurance Commission

**Relevant Important Positions in Listed Company - The Stock Exchange of Thailand**

- Independent Director, Chairman of the Remuneration Committee, Member of the Audit Committee, PTT Public Company Limited
- Independent Director, Chairman of the Corporate Governance and Social Responsibility Committee, Member of the Risk Management Committee, Krung Thai Bank Public Company Limited

**Relevant Important Positions in Non-listed Company/ Other Organizations**

- Reform Commission of Thailand on Anti-Corruption

**Relation among Family with other Directors and Executives**

- None

**GEN. Chatchalerm Chalermsook**

Age 63

Independent Director/ Chairman of the Corporate Governance Committee

**(%) Share Possession**

- None

**Appointed**

- September 4, 2014; April 11, 2016 (re-elected)

**Educations**

- Bachelor of Science Program, Chulachomklao Royal Military Academy, Thailand
- Master of Arts (Military), Command and General Staff College, Thailand

**Certifications**

- Director Accreditation Program (DAP 129/2016), Thai Institute of Directors Association (IOD)
- Seminar Strengthen Good Governance of Directors of Public Enterprises, State Enterprise Policy Office (September 30, 2016)
- PTT Board Briefing

**Work Experiences**

- 2012 : Assistant Chief of Staff for Intelligence, Royal Thai Army
- 2013 : Deputy Chief of Staff, Royal Thai Army
- 2014 - : Chief of Staff, Royal Thai Army
- September 30, 2015
- 2015- Present : Chairman, MCOT Public Company Limited
- 2016- Present : Chairman, Rubber Authority of Thailand

**Relevant Important Positions in Listed Company - The Stock Exchange of Thailand**

- Independent Director/ Chairman of the Corporate Governance Committee, PTT Public Company Limited
- Independent Director/ Chairman, MCOT Public Company Limited

**Relevant Important Positions in Non-listed Company/ Other Organizations**

- Member of the National Legislative Assembly (NLA)
- Chairman, Rubber Authority of Thailand
- Thailand Trade Representative

**Relation among Family with other Directors and Executives**

- None





**Mr. Thon Thamrongnawasawat**  
Age 52  
Independent Director/ Chairman of the Enterprise Risk Management Committee/ Member of the Corporate Governance Committee

#### (%) Share Possession

- None

#### Appointed

- November 18, 2016; April 12, 2018 (re-elected)

#### Educations

- Bachelor of Science, Marine Science, Chulalongkorn University, Thailand
- Master of Science, Marine Science, Chulalongkorn University, Thailand
- Ph.D, Marine Biology and Ecology, Jamescook University, Australia

#### Certifications

- Anti-Corruption : the Practical Guide (ACPG 37/2017), Director Accreditation Program (DAP 138/2017), How to develop a Risk Management Plan (HRP 14/2017) Thai Institute of Directors Association (IOD)
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 9<sup>th</sup>), Thailand Energy Academy (TEA)
- Seminar “Electric Vehicles & Future Energy System: Recent Development and Implications” Petroleum Institute of Thailand (PTIT)

#### Work Experiences

- October 6, 2014 - : Member of the National Reform Council  
September 6, 2015
- October 2014 - : Member of the Committee on Environment  
September 2015 and Natural Resources
- October 2014 - : Member of Energy Reform and Internal  
September 2015 Affair of the National Reform Council
- July 2015 - Present : Deputy Dean of the Fisheries faculty,  
Kasetsart University
- July 5, 2016 - Present : Honorary Board Member,  
Marine and Coastal Resources  
Policy Committee, Department of  
Marine and Coastal Resources

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Independent Director/  
Chairman of the Enterprise Risk Management Committee/  
Member of the Corporate Governance Committee,  
PTT Public Company Limited

#### Relevant Important Positions in Non-listed Company/ Other Organizations

- Reform Commission of Thailand on Natural Resources and Environment Management
- National Strategic Plan Committee
- Honorary Board Member,  
Marine and Coastal Resources Policy Committee,  
Department of Marine and Coastal Resources

#### Relation among Family with other Directors and Executives

- None



**Mrs. Nuntawan Sakuntanaga**  
Age 60  
Independent Director/  
Member of the Audit Committee

#### (%) Share Possession

- None

#### Appointed

- July 1, 2014; April 9, 2015 (re-elected);  
April 12, 2018 (re-elected)

#### Educations

- Bachelor of Accounting, in Finance and Banking, Chulalongkorn University, Thailand
- M.B.A., in Marketing and International Business, University of Wisconsin at Madison (Wisconsin, USA)

#### Certifications

- Director Certification Program (DCP 166/2012), Audit Committee Program (ACP 43/2013), Financial Statements for Directors (FSD 31/2016) Thai Institute of Directors Association (IOD)
- Management Development Program, Mt. Eliza, Melbourne, Australia (1989)
- Certificate, The Civil Service Executive Program for Senior Civil Servants (Class 38/2003), Office of the Civil Service Commission
- Diploma, The National Defence Course (Class of 49<sup>th</sup>) (2006 - 2007), National Defence College

- Leaders in Development Program-Managing Political & Economic Reform, Kennedy School of Government, Harvard University, Boston, USA, 2008
- Top Executive Program in Commerce and Trade (TEPCoT) (Class of 2<sup>nd</sup>), 2009, Commerce Academy
- Top Executive Program (Class 14<sup>th</sup>), 2012, Capital Market Academy (CMA)
- Corporate Governance Program for Directors and Executives of State Enterprises and Public Organization (Class 12/2013), Public Director Institute (PDI)
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class 5/2014), Thailand Energy Academy (TEA)
- Seminar PTT Group AC Forum 2018
- Briefing on International Anti-Corruption... International cases and practices, IOD (October 14, 2015)
- Seminar “Global Financial Market Outlook 2016”, IOD (November 17, 2015)
- Seminar “Electric Vehicles & Future Energy System: Recent Development and Implications” Petroleum Institute of Thailand (PTIT)

#### Work Experiences

- September 2012 : Director General, Department of International Trade Promotion, Ministry of Commerce
- October 2012 : Deputy Permanent Secretary, Ministry of Commerce
- October 2013 : Director General, Department of International Trade Promotion, Ministry of Commerce
- October 2015 : Director General, Department of Intellectual Property, Ministry of Commerce
- October 2016 : Director General, Department of Internal Trade, Ministry of Commerce
- October 2017 - : Permanent Secretary,  
September 30, 2018 Ministry of Commerce

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Independent Director/ Member of the Audit Committee,  
PTT Public Company Limited

#### Relevant Important Positions in Non-listed Company/ Other Organizations

- Independent Director,  
Asset World Corp Public Company Limited
- Sub-Committee on State Revenue Collection, under the Committee on Economics, Monetary Affairs and Finance, National Legislative Assembly

#### Relation among Family with other Directors and Executives

- None



**Mr. Supot Teachavorasinskun**  
Age 53  
Independent Director/  
Member of the Nominating Committee/  
Authorized Director  
(effective April 25, 2018)

#### (%) Share Possession

- None

#### Appointed

- January 18, 2018

#### Educations

- Bachelor of Engineering (Civil Engineering), Chulalongkorn University, Thailand
- Master of Engineering (Civil Engineering), University of Tokyo, Japan
- Doctor of Engineering (Civil Engineering), University of Tokyo, Japan

#### Certifications

- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 10<sup>th</sup>), 2017, Thailand Energy Academy (TEA)

#### Work Experiences

- 2003 : Associate Professor,  
Department of Civil Engineering,  
Faculty of Engineering,  
Chulalongkorn University
- 2016 - Present : Dean, Faculty of Engineering,  
Chulalongkorn University
- May 23, 2017 - : Board Member,  
Present Thailand Institute of Scientific  
and Technological Research

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Independent Director/ Member of the Nominating Committee,  
PTT Public Company Limited

#### Relevant Important Positions in Non-listed Company/ Other Organizations

- Board Member,  
Thailand Institute of Scientific and Technological Research

#### Relation among Family with other Directors and Executives

- None





**Professor Dr. Surapon Nitikraipot**  
Age 58  
Independent Director/  
Member of the Nominating Committee/  
Member of the Corporate Governance  
Committee  
Authorized Director (effective April 25, 2018)

#### (%) Share Possession

- None

#### Appointed

- April 12, 2018

#### Educations

- Bachelor of Laws (Second Class Honors), Thammasat University, Thailand
- Diplôme d'études approfondies (D.E.A.) de droit Public, Strasbourg III, France
- Doctorat en droit (mention très honorable), l'Université Robert Schuman de Strasbourg, France
- Honorary Doctoral, Soka University, Japan

#### Certifications

- Director Certification Program (DCP 102/2008), Role of the Chairman Program (RCP 25/2011), Board Nomination and Compensation Program (BNCP 5/2018) Thai Institute of Directors Association (IOD)
- Barrister at Law, Class of 35<sup>th</sup>, Institute of Thai Bar Association of Thailand
- Certificate, La Décentralisation et l' Administration Locale, Institut International d' Administration Publique (IIAP), Paris, France
- Capital Market Academy Leadership Program, Class 4, Capital Market Academy
- Diploma, National Defence Course for the Joint State-Private Sector, Class 23, The National Defence College, 2010
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA), Class 7/2015, Thailand Energy Academy

#### Work Experiences

- 2004 - 2010 : Rector of Thammasat University
- 2009 - 2011 : Chairman, MCOT Public Company Limited
- 2010 - 2012 : Independent Director/ Member of Corporate Governance Committee, PTT Public Company Limited
- 2010 - 2014 : Honorary Board Member and Chairman of the Audit Committee, Mahidol Wittayanusorn School
- 2014 - 2016 : Chairman, The Krungthep Thanakom Company Limited (Community Enterprise of Bangkok)
- Present : Professor of Public Laws, Faculty of Law, Thammasat University

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Independent Director/ Member of the Nominating Committee/ Member of the Corporate Governance Committee, PTT Public Company Limited

#### Relevant Important Positions in Non-listed Company/ Other Organizations

- Board Member of the Commission for the Development of Public Organization
- Chairman of the Executive Directors, Thammasat University Hospital
- Member of the 8<sup>th</sup> Committee of Council of State, Office of the Council of State
- Chairman of the Navamindradhiraj University Council
- Chairman of the Board, Kamnoetvidya Science Academy
- Chairman, Heng Leasing Limited Company
- Chairman, J.D. Food Products Company Limited

#### Relation among Family with other Directors and Executives

- None



**Mr. Somsak Chotrattanasiri**  
Age 61  
Independent Director/ Member of the Remuneration Committee

#### (%) Share Possession

- None

#### Appointed

- April 22, 2015; April 28, 2017 (re-elected)

#### Educations

- Bachelor of Arts (Political Science), Kasetsart University, Thailand
- Master of Public Administration (MPA), National Institute of Development Administration, Thailand

#### Certifications

- Director Certification Program (DCP 113/2009), Audit Committee Program (ACP 34/2011), Successful Formulation & Execution of Strategy (SFE 30/2017), Thai Institute of Directors Association (IOD)
- Diploma, The National Defence Course (2006), National Defence College
- Senior Executives on Justice Administration (Class of 14<sup>th</sup>), National Justice Academy

- Seminar Thailand's 6<sup>th</sup> National Conference on Collective Action against Corruption "Anti-Corruption in Thailand: Sustaining the Momentum", IOD (October 16, 2015)
- PTT Board Briefing
- Rule of Law for Democracy Course (Class of 4<sup>th</sup>), College of the Constitutional Court
- Top Executives Program, Capital Market Academy (Class of 24<sup>th</sup>), Thailand
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 11<sup>th</sup>), 2018, Thailand Energy Academy (TEA)

#### Work Experiences

- 2009 - 2010 : Advisor, Bureau of the Budget
- 2010 - 2013 : Deputy Director Bureau of the Budget
- 2013 - September 30, : Director Bureau of the Budget
- 2017

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Independent Director/ Member of the Remuneration Committee, PTT Public Company Limited

#### Relevant Important Positions in Non-listed Company/ Other Organizations

- Member of the National Legislative Assembly (NLA)
- Council of State, 12<sup>th</sup>

#### Relation among Family with other Directors and Executives

- None



**Mr. Chumpol Rimsakorn**  
Age 58  
Director/ Member of the Remuneration Committee

#### (%) Share Possession

- None

#### Appointed

- December 21, 2018

#### Educations

- Bachelor of Laws, Ramkhamhaeng University, Thailand
- Master of Public and Private Management Program, National Institute of Development Administration (NIDA)

#### Certifications

- Director Certification Program (DCP 221/2016), Financial Statements for Directors (FSD 30/2016), Role of the Chairman Program (RCP 39/2016), Advanced Audit Committee Program (AAP 24/2016) and IT Governance and Cyber Resilience Program (ITG 9/2018), Thai Institute of Directors Association (IOD)
- National Defence Course for the Joint State - Private Sector, The National Defence Course
- Top Executive Program (Class of 19<sup>th</sup>), Capital Market Academy (CMA)
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 7<sup>th</sup>), 2015 - 2016, Thailand Energy Academy (TEA)
- Inspector General Program, The Prime Minister's Office
- Senior Executive Program (Class of 60<sup>th</sup>), Office of the Civil Service Commission
- Good Governance for Directors and Executives of State Enterprises and Public Organization (Class of 10<sup>th</sup>), King Prajadhipok's Institute
- Advanced Master of Management Program (AMM) (Class of 1<sup>st</sup>), 2018, Graduate School of Public Administration, National Institute of Development Administration (NIDA)

#### Work Experiences

- 2006 - 2011 : Director of Legal Affairs Bureau, The Excise Department
- 2011 - 2013 : Deputy Director-General, The Excise Department
- 2013 - 2014 : Principal Advisor on Tax Development Administration, the Excise Department
- 2014 - 2015 : Inspector General, Office of the Permanent Secretary, Ministry of Finance
- 2015 - Present : Deputy Permanent Secretary, Ministry of Finance

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Member of the Remuneration Committee, PTT Public Company Limited
- Director/ Chairman of the Credit Committee/ Member of the Board of Executive Directors/ Member of the Nomination, Remuneration and Corporate Governance Committee, TMB Bank Public Company Limited

#### Relevant Important Positions in No-listed Company/ Other Organizations

- Chairman, Vayupak 1 Mutual Fund Investment Committee
- Chairman, Performance Assessment Committee (PAC)
- Chairman, Public Service Obligation Committee (PSO)
- Board Member, Vayupak Mutual Fund Supervisory Committee
- Board Member, Thailand Future Fund Steering Committee
- Director, Don Muang Tollway Public Company Limited

#### Relation among Family with other Directors and Executives

- None



**Mr. Danucha Pichayanan**

Age 48

Independent Director/  
Member of the Enterprise  
Risk Management Committee

**(%) Share Possession**

- None

**Appointed**

- April 12, 2018

**Educations**

- Bachelor of Engineering, Chulalongkorn University, Thailand
- M.S. Engineering Management, George Washington University, USA

**Certifications**

- Director Certification Program (DCP 211/2015) Thai Institute of Directors Association (IOD)
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class 10<sup>th</sup>), Thailand Energy Academy (TEA)
- Certificate, The Civil Service Executive Program for Senior Civil Servants (Class 78/2013), Office of the Civil Service Commission
- Senior Executive Certificate in Anti-Corruption Strategic Management (Class 7/2016), Office of the National Anti-Corruption Commission

**Work Experiences**

- February 19, 2010 : Director Infrastructure Project Office (IPO) (Policy and Strategic Analyst 9), Office of the National Economic and Social Development Board (NESDB)
- October 1, 2013 : Acting, Senior Advisor in Policy and Plan (Plan and Policy Analyst, Advisory Level), Office of the National Economic and Social Development Board (NESDB)
- December 16, 2013 : Senior Advisor in Policy and Plan (Plan and Policy Analyst, Advisory Level), Office of the National Economic and Social Development Board (NESDB)
- October 1, 2016 - Present : Deputy Secretary-General National Economic and Social Development Council

**Relevant Important Positions in Listed Company - The Stock Exchange of Thailand**

- Independent Director/  
Member of the Enterprise Risk Management Committee, PTT Public Company Limited

**Relevant Important Positions in Non-listed Company/ Other Organizations**

- Director, Provincial Electricity Authority
- Managing Director, National Electronics and Computer Technology Center (NECTEC)
- Managing Director, Broadcasting and Telecommunications Research and Development Fund for the Public Interest (BTFP)
- Sub-Committee of the Project Evaluation and Research Fund, Broadcasting and Telecommunications Research and Development Fund for the Public Interest (BTFP)
- Sub-Committee of the Research Fund Policy and Strategic, Broadcasting and Telecommunications Research and Development Fund for the Public Interest (BTFP)
- Member of the Intergovernmental Transfers of Public Service Committee

**Relation among Family with other Directors and Executives**

- None

**Mr. Thammayot Srichuai\***

Age 60

Director/ Member of the Enterprise  
Risk Management Committee

(\*Resignation effective from January 1, 2019)

**(%) Share Possession**

- None

**Appointed**

- December 15, 2016; April 28, 2017 (re-elected)

**Educations**

- Electrical Power Engineering, Rajamangala University of Technology, Thailand (Rajamangala Institute of Technology)

**Certifications**

- Corporate Governance for Executives Program (CGE 5/2015), Director Certification Program (DCP 239/2017), Thai Institute of Directors Association (IOD)
- Energy Curriculum Program for Executives (Class of 1<sup>st</sup>), Ministry of Energy
- Command and General Program (Class of 47<sup>th</sup>), Joint Staff College, National Defense Studies Institute
- Senior Executive Program (Class of 56<sup>th</sup>), Office of the Civil Service Commission
- National Defense Course (Class of 52<sup>th</sup>), National Defense College

**Work Experiences**

- 2007 - 2014 : Deputy Director General, Department of Alternative Energy Development and Efficiency, Ministry of Energy
- October 1, 2014 - September 30, 2016 : Director General, Department of Alternative Energy Development and Efficiency, Ministry of Energy
- October 1, 2016 - September 30, 2017 : Deputy Permanent Secretary, Ministry of Energy
- October 1, 2017 - September 30, 2018 : Permanent Secretary, Ministry of Energy

**Relevant Important Positions in Listed Company - The Stock Exchange of Thailand**

- Director, Member of the Enterprise Risk Management Committee, PTT Public Company Limited

**Relevant Important Positions in Non-listed Company/ Other Organizations**

- None

**Relation among Family with other Directors and Executives**

- None

**Mr. Nuttachat Charuchinda\***

Age 63

Director

**(%) Share Possession**

- 0.000002 (own 0.000002; spouse 0)

**Appointed**

- January 16, 2019

**Educations**

- Bachelor of Engineering (Civil Engineering), Chiang Mai University, Thailand
- Master of Business Administration, Thammasat University, Thailand

**Certifications**

- Director Certification Program (DCP 129/2010) Thai Institute of Directors Association (IOD)
- Program for Global Leadership (PGL), Harvard Business School, USA
- Oxford Energy Seminar, UK
- Break Through Program for Senior Executives (BPSE), IMD Institute, Switzerland
- The Joint State - Private Course, Class of 20<sup>th</sup>, Thailand National Defence College
- Top Executive Program (Class of 15<sup>th</sup>), Capital Market Academy (CMA)
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 3<sup>rd</sup>), Thailand Energy Academy (TEA)

**Work Experiences**

- 2010 - 2011 : Senior Executive Vice President, Corporate Strategy, PTT Public Company Limited
- 2011 - 2013 : Chief Operating Officer, Downstream Petroleum Business Group, PTT Public Company Limited
- 2013 - 2015 : Chief Operating Officer, Upstream Petroleum and Gas Business Group, PTT Public Company Limited
- 2013 - November 2015 : Director, PTT Exploration and Production Public Company Limited
- 2013 - April 2016 : Director, Thai Oil Public Company Limited
- May 2014 - April 2016 : Chairman, PTT Energy Resources Company Limited

**Relevant Important Positions in Listed Company - The Stock Exchange of Thailand**

- Director, PTT Public Company Limited
- Director/ Chairman of the Risk Management Committee, IRPC Public Company Limited

**Relevant Important Positions in Non-listed Company/ Other Organizations**

- Chairman, Bangkok Mass Transit Authority
- Chairman, RITTA Holdings Company Limited
- Director, National Power Supply Public Company Limited

**Relation among Family with other Directors and Executives**

- None





**Mr. Kulit Sombatsiri\***  
Age 55  
Director

#### (%) Share Possession

- None

#### Appointed

- January 16, 2019

#### Educations

- Bachelor of Arts (Political Science), Ramkhamhaeng University, Thailand
- Master of Public Administration, San Diego State University, USA
- Master of Business Administration, University of Southern California, USA

#### Certifications

- Director Certification Program (DCP 124/2009) Thai Institute of Directors Association (IOD)
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 6/2015), Thailand Energy Academy (TEA)
- Top Executive Program (Class of 10<sup>th</sup>), Capital Market Academy (CMA)
- The Civil Service Executive Program for Senior Civil Servants (Class of 40<sup>th</sup>), Office of the Civil Service Commission
- Diploma, The National Defence Course (Class of 54<sup>th</sup>), National Defence College

#### Work Experiences

- 2011 - 2014 : Inspector General, Ministry of Finance
- 2014 - 2015 : Director General, State Enterprise Policy Office (SEPO), Ministry of Finance
- 2015 - September 30, 2018 : Director General, The Customs Department, Ministry of Finance
- October 1, 2018 - Present : Permanent Secretary, Ministry of Energy

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director, PTT Public Company Limited

#### Relevant Important Positions in Non-listed Company/ Other Organizations

- Chairman, State Railway of Thailand

#### Relation among Family with other Directors and Executives

- None



**Mr. Chansin Treenuchagron**  
Age 58  
Director/ Secretary to the Board/  
President and Chief Executive Officer/  
Authorized Director  
(effective August 31, 2018)

#### (%) Share Possession

- None

#### Appointed

- August 31, 2018

#### Educations

- Bachelor of Economics, Thammasat University, Thailand
- Master of Economics, Chulalongkorn University, Thailand

#### Certifications

- Director Certification Program (DCP 85/2007), Financial Statements for Directors (FSD12/2011), Director Accreditation Program (DAP 93/2011), Chartered Director Class (CDC 11/2015) Thai Institute of Directors Association (IOD)
- Executive Relationship Development Course (ERDC) (Class of 1<sup>st</sup>), Directorate of Civil Affairs
- Air War College (Class 35/2006)
- Senior Executive Program (SEP) (Class of 20<sup>th</sup>), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- PTT Executive Leadership, General Electric, GE, New York, USA
- Advance Senior Executive Program (ASEP-5), Class 5/2010, KELLOGG & SASIN, Chicago, USA
- Advanced Certificate Course in Public Economics Management for Executives (Class of 10<sup>th</sup>) King Prajadhipok's Institute
- Leadership Excellence through Awareness and Practice (LEAP), INSEAD, France & Singapore
- Leadership Development Program III (LDP III) (Class 1/2014), PLLI, PTT Public Company Limited
- Diploma, The National Defence Course (Class 57/2014), National Defence College
- Seminar "Briefing on International Anti-Corruption... International cases and practices", IOD (October 14, 2015)
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 7<sup>th</sup>), 2015-2016, Thailand Energy Academy (TEA)
- Reward for Thammasat Best Economics Alumni 2015, The Thammasat Economics Association
- Reward for Thammasat Best Alumni 2017, Thammasat University
- Best Alumni Awards 2018, King Prajadhipok's Institute
- Best Alumni Awards (Class of 1<sup>st</sup>), 2018, Executive Relationship Development Course (ERDC), Directorate of Civil Affairs

#### Work Experiences

- March 2013 - September 2014 : Executive Vice President, PTT Public Company Limited (PTT), working on a secondment at IRPC Public Company Limited (IRPC) as Senior Executive Vice President Corporate Commercial and Marketing
- October 2014 - September 30, 2015 : Senior Executive Vice President, Corporate Strategy, PTT
- October 1, 2015 - December 31, 2015 : Senior Executive Vice President, Petrochemicals & Refining Business Unit, PTT
- January 1, 2016 - September 30, 2017 : Senior Executive Vice President, Downstream Business Group Alignment, PTT
- October 1, 2017 - December 31, 2017 : Chief Operating Officer, Infrastructure and Sustainability Management Business Group, PTT
- January 1, 2018 - August 30, 2018 : Chief Technology and Engineering Officer, PTT
- August 31, 2018 - Present : President and Chief Executive Officer, PTT

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Secretary to the Board/ President and Chief Executive Officer, PTT Public Company Limited
- Director, PTT Exploration and Production Public Company Limited
- Director/ Chairman, IRPC Public Company Limited

#### Relevant Important Positions in Non-listed Company/ Other Organizations

- Committee, Thammasat Association
- Director, College of Innovation, Thammasat University
- Honorary Board Member, Faculty of Economics, Thammasat University
- Director, Princess Maha Chakri Award Foundation (PMCAF)
- Honorary Board Member, National Science and Technology Development Agency
- Vice President, Thai Listed Companies Association (2017 - 2019)
- Member of the PTIT Council of Trustees, Petroleum Institute of Thailand (PTIT)
- Director, Thailand Foundation

#### Relation among Family with other Directors and Executives

- None



# PTT Executives

As of December 31, 2018



1. **Mr. Chansin Treenuchagron**  
Director/ Secretary to the Board/  
President and Chief Executive Officer
2. **Mr. Wirat Uanarumit**  
Chief Operating Officer,  
Upstream Petroleum and Gas Business Group
3. **Mr. Auttapol Rerkpiboon**  
Chief Operating Officer,  
Downstream Petroleum Business Group
4. **Mr. Wittawat Svasti-xuto**  
Chief Technology and Engineering Officer
5. **Miss Pannalin Mahawongtikul**  
Acting Chief Financial Officer
6. **Mrs. Arawadee Photosaro**  
Acting Senior Executive Vice President, Corporate Strategy

7. **Mr. Preecha Pocatanawat**  
Acting Senior Executive Vice President,  
Organization Management and Sustainability
8. **Mr. Kris Imsang**  
Senior Executive Vice President,  
Corporate Governance and Regulatory Affairs
9. **Miss Peangpanor Boonklum**  
Senior Executive Vice President, Office of General Counsel
10. **Mr. Noppadol Pinsupa**  
Senior Executive Vice President, Gas Business Unit
11. **Mr. Wuttikorn Stithit\***  
Acting Senior Executive Vice President, Gas Business Unit  
(Effective from February 1, 2019)
12. **Miss Duangporn Thiengwatanatham**  
Acting Senior Executive Vice President,  
Downstream Business Group Alignment

13. **Mr. Disathat Panyarachun**  
Acting Senior Executive Vice President,  
International Trading Business Unit
14. **Mr. Worawat Pitayasiri**  
Acting Senior Executive Vice President, Innovation and Digital
15. **Mr. Phongsthorn Thavisin**  
Chief Executive Officer, PTT Exploration  
and Production Public Company Limited
16. **Mr. Supattanapong Punmeechaow**  
President and Chief Executive Officer,  
PTT Global Chemical Public Company Limited
17. **Mr. Atikom Terbsiri**  
President and Chief Executive Officer,  
Thai Oil Public Company Limited

18. **Mr. Sukrit Surabotsopon**  
President, IRPC Public Company Limited
19. **Miss Jiraphon Kawswat**  
Acting President and Chief Executive Officer,  
PTT Oil and Retail Business Public Company Limited
20. **Mr. Chawalit Tippawanich**  
President and Chief Executive Officer,  
Global Power Synergy Public Company Limited
21. **Miss Duangkamol Settanung**  
Senior Executive Vice President PTT working as  
Executive Vice President – Finance and Accounting,  
PTT Global Chemical Public Company Limited



# PTT Executives

\* As of December 31, 2017



**Mr. Chansin Treenuchagron**  
Age 58

Director/ Secretary to the Board/  
President and Chief Executive Officer  
Authorized Director  
(effective August 31, 2018)

## (%) Share Possession

- None

## Appointed

- August 31, 2018

## Educations

- Bachelor of Economics, Thammasat University, Thailand
- Master of Economics, Chulalongkorn University, Thailand

## Certifications

- Director Certification Program (DCP 85/2007), Financial Statements for Directors (FSD12/2011), Director Accreditation Program (DAP 93/2011), Chartered Director Class (CDC 11/2015) Thai Institute of Directors Association (IOD)
- Executive Relationship Development Course (ERDC) (Class of 1<sup>st</sup>), Directorate of Civil Affairs
- Air War College (Class 35/2006)
- Senior Executive Program (SEP) (Class of 20<sup>th</sup>), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- PTT Executive Leadership, General Electric, GE, New York, USA
- Advance Senior Executive Program (ASEP-5), Class 5/2010, KELLOGG & SASIN, Chicago, USA
- Advanced Certificate Course in Public Economics Management for Executives (Class of 10<sup>th</sup>) King Prajadhipok's Institute
- Leadership Excellence through Awareness and Practice (LEAP), INSEAD, France & Singapore
- Leadership Development Program III (LDP III), Class 1/2014, PLLI, PTT Public Company Limited
- Diploma, The National Defence Course (Class 57/2014), National Defence College
- Seminar "Briefing on International Anti-Corruption... International cases and practices", IOD (October 14, 2015)
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 7<sup>th</sup>), 2015 - 2016, Thailand Energy Academy (TEA)
- Reward for Thammasat Best Economics Alumni 2015, The Thammasat Economics Association
- Reward for Thammasat Best Alumni 2015, Thammasat University

- Best Alumni Awards 2018, King Prajadhipok's Institute
- Best Alumni Awards (Class of 1<sup>st</sup>), Executive Relationship Development Course (ERDC), Directorate of Civil Affairs

## Work Experiences

March 2013 - September 2014	: Executive Vice President, PTT Public Company Limited (PTT), working on a secondment at IRPC Public Company Limited (IRPC) as Senior Executive Vice President Corporate Commercial and Marketing, IRPC
October 2014 - September 30, 2015	: Senior Executive Vice President, Corporate Strategy, PTT
October 1, 2015 - December 31, 2015	: Senior Executive Vice President, Petrochemicals & Refining Business Unit, PTT
January 1, 2016 - September 30, 2017	: Senior Executive Vice President, Downstream Business Group Alignment, PTT
October 1, 2017 - December 31, 2017	: Chief Operating Officer, Infrastructure and Sustainability Management Business Group, PTT
January 1, 2018 - August 30, 2018	: Chief Technology and Engineering Officer, PTT
August 31, 2018 - Present	: President and Chief Executive Officer, PTT

## Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Secretary to the Board/ President and Chief Executive Officer, PTT Public Company Limited
- Director, PTT Exploration and Production Public Company Limited
- Director/ Chairman, IRPC Public Company Limited

## Relevant Important Positions in Non-listed Company/ Other Organizations

- Committee, Thammasat Association
- Director, College of Innovation, Thammasat University
- Honorary Board Member, Faculty of Economics, Thammasat University
- Director, Princess Maha Chakri Award Foundation (PMCAF)
- Honorary Board Member, National Science and Technology Development Agency
- Vice President, Thai Listed Companies Association (2017 - 2019)
- PTIT Council of Trustees, Petroleum Institute of Thailand (PTIT)
- Director, Thailand Foundation

## Relation among Family with other Directors and Executives

- None



**Mr. Wirat Uanarumit**  
Age 56

Chief Operating Officer,  
Upstream Petroleum  
and Gas Business Group

## (%) Share Possession

- 0.000543 (own 0.000543; spouse 0)

## Appointed

- October 1, 2016

## Educations

- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University, Thailand
- Master of Business Administration, with emphasis in Financial Management, Pennsylvania State University, USA

## Certifications

- Director Certification Program (DCP 8/2001), Director Certification Program Update (DCPU 5/2015), Audit Committee Program (ACP 38/2012), Ethical Leadership Program (ELP 7/2017), Thai Institute of Directors Association (IOD)
- Member, Beta Gamma Sigma (US National Scholastic Honour Society in Business)
- Advance Management Programme, INSEAD Business School, Fontainebleau, France
- Advanced Management Program, Harvard Business School, USA
- Top Executive Program (Class of 4<sup>th</sup>), Capital Market Academy (CMA)
- Senior Executives on Justice Administration (Class of 16<sup>th</sup>), National Justice Academy
- Advanced Security Management Program (ASMP), (Class of 2<sup>nd</sup>), National Defence College
- Executive Development Program (Class of 1<sup>st</sup>), Thai Listed Companies Association (TLCA)
- Diploma, The Joint State - Private Sector Course, National Defence College
- Executive Management with Business Development and Investment (Class of 2<sup>nd</sup>), Institute of Business and Industrial Development (IBID)

- Democratic Politics and Governance for High-Level Administrators Program, (Class of 20<sup>th</sup>), King Prajadhipok's Institute
- The Rule of Law for Democracy, College of the Constitutional Court (Class of 6<sup>th</sup>)

## Work Experiences

2005 - January 2011	: Executive Vice President - Finance, Thai Oil Public Company Limited
February 2011 - October 2011	: Senior Executive Vice President - Corporate Accounting and Finance, IRPC Company Limited
October 2011 - April 30, 2014	: Executive Vice President, Corporate Finance, PTT
May 1, 2014 - September 30, 2016	: Chief Financial Officer, PTT
October 1, 2016 - Present	: Chief Operating Officer, upstream Petroleum and Gas Business Group, PTT

## Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Member of the Risk Management Committee, PTT Exploration and Production Public Company Limited

## Relevant Important Positions in Non-listed Company/ Other Organizations

- Chairman, PTTLNG Company Limited (PTTLNG)
- Director, Sakari Resources. Ltd
- Director/ Member of Audit Committee, Thailand Management Association (TMA)
- Vice President, Chulalongkorn University Alumni Association (CUAA) (Term of 2017 - 2019)
- Advisory Committee, Trade, Investment Promotion & Business Council, The Federation of Thai Industries
- Chairman, Thailand - Malaysia Business Council, The Federation of Thai Industries (FTI)
- Advisor to the President of the Association Capital Market Academy (ACMA)

## Relation among Family with other Directors and Executives

- None





**Mr. Auttapol Rerkpiboon**

Age 53

Chief Operating Officer,  
Downstream Petroleum Business Group

#### (%) Share Possession

- 0.000939 (own 0.000788; spouse 0.000151)

#### Appointed

- October 1, 2017

#### Educations

- Bachelor of Engineering (Civil Engineering), Chulalongkorn University, Thailand
- Master of Economics Program, National Institute of Development Administration, Thailand
- Diploma of Petroleum Management, College of Petroleum Studies, Oxford, England (British Council Scholarship)

#### Certifications

- Director Certification Program (DCP 173/2013), Thai Institute of Directors Association (IOD)
- TLCA Executive Development Program (EDP) (Class of 1<sup>st</sup>) Thai Listed Companies Association (TLCA)
- Diploma, The Joint State-Private Sector Course (Class of 58<sup>th</sup>), National Defence College
- Politics and Governance in Democratic for Executives (Class of 14<sup>th</sup>), King Prajadhipok's Institute
- Top Executive Program (Class of 20<sup>th</sup>), Capital Market Academy (CMA)
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 12<sup>nd</sup>), Thailand Energy Academy (TEA)
- Executive Program on Rule of Law and Development : RoLD (Class of 2<sup>nd</sup>), Thailand Institute of Justice: TIJ
- NIDA-Wharton Executive Leadership Program 2009, The Wharton School of the University of Pennsylvania, USA
- PTT Executive Leadership, General Electric, GE, New York, USA

#### Work Experiences

- 2010 - 2011 : Executive Vice President, Corporate Communications & Social Responsibility, PTT
- 2011 - 2013 : Executive Vice President, Commercial & International Marketing, PTT
- 2013 - September 30, 2014 : Executive Vice President, Retail Marketing, PTT
- October 1, 2014 - September 30, 2015 : Senior Executive Vice President, Sustainability Management and Project Engineering, PTT
- October 1, 2015 - September 30, 2017 : Senior Executive Vice President Oil Business Unit, PTT
- October 1, 2017 - Present : Chief Operating Officer, Downstream Petroleum Business Group (October 1, 2017 - September 30, 2018 Acting Senior Executive Vice President, Downstream Business Group Alignment, PTT)

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Chairman of the Risk Management Committee / Member of the Nomination and Remuneration Committee Thai Oil Public Company Limited

#### Relevant Important Positions in Non-listed Company/ Other Organizations

- Chairman, PTT Oil and Retail Business Public Company Limited
- Chairman, PTT Tank Terminal Company Limited
- Director, The Royal Automobile Association of Thailand under Royal Patronage
- Vice President, Swimming Association Thailand
- Committee, Board of Trade of Thailand
- Committee for Big Data, Data Center and Cloud Computing, Ministry of Digital Economy and Society
- President, Marketing Association of Thailand
- Committee Member, Payment Systems Committee (PSC), Bank of Thailand

#### Relation among Family with other Directors and Executives

- None



**Mr. Wittawat Svasti-xuto**

Age 57

Chief Technology  
and Engineering Officer

#### (%) Share Possession

- 0.001941 (own 0.001941; spouse 0)

#### Appointed

- September 16, 2018

#### Educations

- Bachelor of Engineering (Chemical Engineering), Chulalongkorn University, Thailand
- Master of Science (Industrial Engineering), The University of Rhode Island, USA.

#### Certifications

- Director Certification Program (DCP 146/2011), Financial Statements for Director (FSD 12/2011), Thai Institute of Directors Association (IOD)
- Top Executive Program (Class of 27<sup>th</sup>), 2018, Capital Market Academy (CMA)
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 1<sup>st</sup>), 2018, Thailand Energy Academy (TEA)
- The National Defence Course (Class of 59<sup>th</sup>), National Defence College
- Strategy and Innovation for Business in Asia (SIBA) (Class of 5<sup>th</sup>), 2016

#### Work Experiences

- August 1, 2014 - December 31, 2015 : Executive Vice President Strategy Management, Downstream Business Unit, PTT
- January 1, 2016 - September 30, 2016 : Executive Vice President Downstream Business Group Alignment, PTT
- October 1, 2016 - December 31, 2016 : Executive Vice President, Sustainability Management, PTT
- January 1, 2017 - December 31, 2017 : Senior Executive Vice President, Sustainability Management and Project Engineering, PTT
- January 1, 2018 - September 15, 2018 : Senior Executive Vice President, Innovation and Digital, PTT
- September 16, 2018 - Present : Chief Technology and Engineering Officer, PTT

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Member of to the Nomination and Remuneration Committee, PTT Global Chemical Public Company Limited
- Director/ Member of the Nomination and Remuneration Committee/ Member of the Risk Management Committee, Global Power Synergy Public Company Limited

#### Relevant Important Positions in Non-listed Company/ Other Organizations

- Director / Chairman, PTT Digital Solutions Company Limited

#### Relation among Family with other Directors and Executives

- None



**Miss Pannalin Mahawongtikul**

Age 54

Acting Chief Financial Officer

#### (%) Share Possession

- 0.001009 (own 0.001009)

#### Appointed

- October 1, 2018

#### Educations

- Bachelor of Science in Accounting (B.B.A.), Thammasat University, Thailand
- Master of Business Administration (M.B.A.), Thammasat University, Thailand

#### Certifications

- Capital Market Academy Leader Program, (Class of 24<sup>th</sup>), Capital Market Academy
- Leadership Succession Program (LSP), (Class of 6<sup>th</sup>), Institute of Research and Development for Public Enterprises
- CMA - Greater Mekong Subregion (CMA - GMS), (Class of 1<sup>st</sup>), Capital Market Academy
- PTT - HBS Leadership Development Program II, Harvard Business School, USA
- NIDA - Wharton Executive Leadership Program (ELP), The Wharton School, University of Pennsylvania, USA
- Executive Program for Senior Management (EX - PSM), (Class of 3<sup>rd</sup>), Fiscal Policy Research Institute Foundation
- Executive Development Program (EDP), (Class of 2<sup>nd</sup>), Thai Listed Companies Association



## Work Experiences

2012 - 2014	: Vice President, Financial Strategy & Policy, PTT
2014 - 2015	: Executive Vice President, Corporate Finance, PTT
January 1, 2016 - September 30, 2018	: Executive Vice President, PTT, working on a secondment as Senior Executive Vice President Finance and Accounting Group, PTT Exploration and Production Public Company Limited
October 1, 2018 - Present	: Acting Chief Financial Officer, PTT

## Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Member of the Risk Management Committee, Thai Oil Public Company Limited

## Relevant Important Positions in Non-listed Company/ Other Organizations

- None

## Relation among Family with other Directors and Executives

- None



**Mrs. Arawadee Photisaro**  
Age 57

Acting Senior Executive Vice President, Corporate Strategy

## (% Share Possession

- 0.000004 (own 0 ; spouse 0.000004)

## Appointed

- October 1, 2018

## Educations

- Bachelor of Accounting (Accounting), Thammasat University, Thailand
- Master of Business Administration (Management Information System) The University of Dallas, USA

## Certifications

- Director Certification Program (DCP), Thai Institute of Directors Association (IOD)
- Leadership Development Program for Sustainability (LDP) (Class of 3<sup>rd</sup>), PTT Leadership and Learning Institute (PLLI)
- Breakthrough Program for Senior Executives, International Leading Business School (IMD), Lausanne, Switzerland
- Study Mission to a Nonmember Country on Regional Innovation Strategies and Knowledge Productivity, Office of Thailand Quality Award
- Leadership Succession Program (LSP) (Class of 4<sup>th</sup>), Institute of Research and Development for Public Enterprises (IRDP)
- TLCA Executive Development Program (EDP) (Class of 4<sup>th</sup>), Thai Listed Companies Association
- Mitsui-HBS Global Management Academy, Harvard Business School, USA
- Top Management Program in Governmental legal (Class of 3<sup>rd</sup>), Office of the Council of State

## Work Experiences

2013 - 2016	: Executive Vice President, Strategy & Portfolio Management, PTT
2016 - 2017	: Executive Vice President, Strategy & Portfolio Management and Director of ExpresSo Project, PTT
2017 - September 30, 2018	: Executive Vice President PTT, working on a secondment as Managing Director, PTT Digital Solutions Company Limited
October 1, 2018 - Present	: Acting Senior Executive Vice President, Corporate Strategy, PTT

## Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Member of the Risk Management Committee, PTT Global Chemical Public Company Limited

## Relevant Important Positions in Non-listed Company/ Other Organizations

- Director, PTT Digital Solutions Company Limited

## Relation among Family with other Directors and Executives

- None



**Mr. Preecha Pocatanawat**  
Age 58

Acting Senior Executive Vice President, Organization Management and Sustainability

## (% Share Possession

- None

## Appointed

- October 1, 2018

## Educations

- Bachelor of Laws, Ramkhamhaeng University, Thailand
- Barrister-at-Law, The Institute of Legal Education, Thai Bar Association
- Bachelor of Business Administration (Accounting), Ramkhamhaeng University, Thailand

## Certifications

- Director Certification Program (DCP 261/2018) Thai Institute of Directors Association (IOD)
- Leadership Development Program III 2018 (LDP III), Singapore
- Leadership Development Program II 2014 (LDP II), China
- Management Development Program (MDP): Level 13 - 14 Business Management, PTT Leadership and Learning Institute (PLLI)
- Strategy and Innovation for Business in Asia Program (SIBA), Class 4/2015, College of Management Mahidol University
- Senior Executive Certificate in Anti-Corruption Strategic Management, Class 8/2017, Sanya Dharmasakti National Anti-Corruption Institute (SDI)
- IRDP Leadership and Effective Corporate Culture Program 2018, Institute of Research and Development for Public Enterprises (IRDP)

## Work Experiences

2012 - 2014	: Vice President, PTT, working on a secondment as VP-Finance, Accounting & Corporate Support, HMC Polymer Company Limited
2014 - 2014	: Vice President, The Office of Chief Financial Officer, PTT
2014 - September 30, 2018	: Executive Vice President, Corporate Human Resources, PTT
October 1, 2018 - Present	: Acting, Senior Executive Vice President, Organization Management and Sustainability, PTT

## Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Member of the Nomination and Remuneration Committee, IRPC Public Company Limited

## Relevant Important Positions in Non listed Company/ Other Organizations

- Chairman, Business Services Alliance Company Limited
- Chairman, Business Professional Solutions Company Limited
- Director, Energy Complex Company Limited

## Relation among Family with other Directors and Executives

- None



**Mr. Kris Imsang**  
Age 53

Senior Executive Vice President, Corporate Governance and Regulatory Affairs

## (% Share Possession

- 0.000350 (own 0.000350 ; spouse 0)

## Appointed

- October 1, 2018

## Educations

- Bachelor of Engineering (Civil Engineering), Chulalongkorn University, Thailand

## Certifications

- Director Certification Program (DCP 139/2010) Thai Institute of Directors Association (IOD)
- Leadership Development Program for Top Executive (LDP 2), PTT
- Certificate in Top Executives in the PoomPalungPandin Program, Chulalongkorn University
- Top Executives Program (Class of 23<sup>th</sup>), Capital Market Academy (CMA)
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 9<sup>th</sup>), Thailand Energy Academy (TEA)

## Work Experiences

2009 - 2011	: Vice President, Leadership & Talent Management, PTT
2012 - 2013	: Executive Vice President, Lubricant Business, PTT
2013 - 2015	: Executive Vice President, Petroleum Terminal Operations, PTT
2015 - January 31, 2016	: Executive Vice President, Retail Marketing, PTT
February 1, 2016 - December 31, 2017	: Senior Executive Vice President Human Resources & Organization



	Excellence, PTT
January 1, 2018 - September 30, 2018	: Senior Executive Vice President, Organization Management and Sustainability, PTT
October 1, 2018 - Present	: Senior Executive Vice President Corporate Governance and Regulatory Affairs, PTT

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Member of the Corporate Governance Committee, IRPC Public Company Limited

#### Relevant Important Positions in Non-listed Company/ Other Organizations

- Chairman, Energy Complex Company Limited
- Chairman, Sarn Palung Social Enterprise Company Limited
- Director, Chulalongkorn University Alumni Association (CUAA) (Term of 2017 - 2019)
- Committee, Kamnoetvidya Science Academy

#### Relation among Family with other Directors and Executives

- None



**Miss Peangpanor Boonklum**  
Age 52

Senior Executive Vice President,  
Office of General Counsel

#### (%) Share Possession

- None

#### Appointed

- October 1, 2017

#### Educations

- Bachelor of Laws (Second Class Honor), Chulalongkorn University
- Master of Laws (Business Law), Chulalongkorn University
- Master of Laws (LL.M.), Columbia University School of Law, New York, USA

#### Certifications

- Director Certification Program (DCP 7/2001), Anti-Corruption: The Practical Guide (ACPR 38/2017), Thai Institute of Directors Association (IOD)
- Milbank@Harvard Corporate Counsel Program (15-18 October 2018), Harvard Law School, Cambridge, Massachusetts, USA

- Certificate in Anti-Corruption Strategic Management for Senior Executives, Class 9/2018, Office of the National Anti-Corruption Commission, Sanya Dharmasakti National Anti-Corruption Institute (SDI)
- Executive Development Program (Class of 1<sup>st</sup>), Thai Listed Companies Association (TLCA)

#### Work Experiences

2009 - February 29, 2016	: Partner and Associate, Weerawong, Chinnavat & Peangpanor Company Limited
March 2016 - June 2017	: Senior Counsel, Weerawong, Chinnavat & Partners Company Limited (Former Company Name: "Weerawong, Chinnavat & Peangpanor Company Limited", Changed to the current name on April 3, 2017)
July 1, 2017- September 30, 2017	: Executive Vice President, Office of Corporate Legal, PTT
October 1, 2017 - Present	: Senior Executive Vice President, Office of General Counsel, PTT

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Member of the Corporate Governance Committee, Global Power Synergy Public Company Limited

#### Relevant Important Positions in Non-listed Company/ Other Organizations

- Director/ Member of the Nomination and Remuneration Committee, PTT Oil and Retail Business Public Company Limited

#### Relation among Family with other Directors and Executives

- None



**Mr. Noppadol Pinsupa\***  
Age 54

Senior Executive Vice President,  
Gas Business Unit

#### (%) Share Possession

- 0.002255 (own 0.000476 ; spouse 0.001779)

#### Appointed

- October 1, 2015

#### Educations

- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University, Thailand
- Master of Engineering (Electrical Engineering), Chulalongkorn University, Thailand

#### Certifications

- Director Certification Program (DCP 146/2011), Financial Statements for Director (FSD 12/2011), Thai Institute of Directors Association (IOD)
- Leadership Development Program III, PTT Leadership and Learning Institute
- Breakthrough Program For Senior Executives, International Leading Business School (IMD), Lausanne, Switzerland
- Assessor Training Program, Thailand Quality Award (TQA)
- Financial Statement for Directors, PTT Public Company Limited (PTT)
- Seminar "Briefing on International Anti-Corruption... International cases and practices", IOD (October 14, 2015)
- Mitsui-HBS Global Management Academy 2015, Japan - USA
- G-20Y Summit 2015, France
- Program for Senior Executive on Justice Administration Batch (Class of 19<sup>th</sup>), Judicial Training Institute
- Top Executives Program (Class of 22<sup>nd</sup>), 2016, Capital Market Academy (CMA)
- Diploma, The National Defence Course (Class of 60<sup>th</sup>), National Defence College

#### Work Experiences

2010 - 2012	: Executive Vice President, Natural Gas Distribution, Gas Business Unit, PTT
2012 - 2014	: Executive Vice President, Natural Gas for Vehicle, PTT
October 1, 2014 - September 30, 2015	: Executive Vice President, PTT, working on a secondment as President, Global Power Synergy Public Company Limited
October 1, 2015 - Present	: Senior Executive Vice President, Gas Business Unit, PTT

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Member of the Risk Management Committee, Thai Oil Public Company Limited

#### Relevant Important Positions in Non-listed Company/ Other Organizations

- Chairman, PTT Global LNG Company Limited

#### Relation among Family with other Directors and Executives

- None

\* *Appointed as Senior Executive Vice President, PTT, working on a secondment as President, IRPC Public Company Limited effective from February 1, 2019 replacing Mr. Sukrit Surabotsopon who resigned.*



**Mr. Wuttikorn Stithit\***  
Age 54

Acting Senior Executive Vice President,  
Gas Business Unit

#### (%) Share Possession

- 0.000812 (own 0.000494 ; spouse 0.000318)

#### Appointed

- February 1, 2019

#### Educations

- Bachelor of Engineering (Electrical Engineering), King Mongkut's Institute of Technology Ladkrabang
- Master of Science (Industrial & System Engineering), Ohio University, U.S.A.
- Master of Business Administration (Finance and Banking), Kasetsart University

#### Certifications

- Director Certification Program (DCP 158/2012), Thai Institute of Directors Association (IOD)
- Leadership Development Program3 (LDP3), PLLI
- Leadership Succession Program (LSP), Class 9/2018, Institute of Research and Development for Public Enterprises (IRDP)
- Senior Executive Education Program, SIBA 2017, College of Management, Mahidol University
- Power of the Kingdom Class 4/2015 (Bhumipalung Phandin), Chula Unisearch, Chulalongkorn University
- Leadership Development Program 2 (LDP2), PLLI
- Senior Executive Program (SEP) 2011, Sasin Graduate Institute of Business Administration of Chulalongkorn University (SASIN)



## Work Experiences

July 1, 2011 -	: Vice President,
October 31, 2014	Natural Gas Wholesales Marketing, PTT
November 1, 2015 -	: Executive Vice President,
October 31, 2015	Natural Gas Distribution, PTT
November 1, 2015 -	: Executive Vice President,
January 31, 2018	Natural Gas Supply & Trading, PTT
February 1, 2019 -	: Acting Senior Executive Vice President
Present	Gas Business Unit, PTT

## Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- None

## Relevant Important Positions in Non-listed Company/ Other Organizations

- Chairman, Trans Thai-Malaysia (Thailand) Limited (TTM-T)
- Chairman, Trans Thai-Malaysia (Malaysia) Limited (TTM-M)

## Relation among Family with other Directors and Executives

- None

\* *Appointed as Executive Vice President Acting Senior Executive Vice President, Gas Business Unit, PTT effective from February 1, 2019 replacing Mr. Noppadol Pinsupa who was appointed as Senior Executive Vice President, PTT, working on a secondment as President, IRPC Public Company Limited*



**Miss Duangporn Thiengwatanatham**  
Age 57

Acting Senior Executive Vice President,  
Downstream Business Group Alignment

## (% Share Possession

- 0.000270 (own 0.000270)

## Appointed

- October 1, 2018

## Educations

- Bachelor of Engineering (Chemical Engineering), Chulalongkorn University, Thailand
- Master of Engineering (Chemical Engineering), The University of British Columbia, Canada
- Master of Management (Management), Sasin Graduate Institute of Business Administration of Chulalongkorn University, Thailand

## Certifications

- Director Certification Program (DCP 135/2010) and Financial Statements for Directors (FSD 8/2010), Thai Institute of Directors Association (IOD)
- Leadership Development Program (LDP) III, PTT Leadership and Learning Institute
- PTT Executive Leadership Program, General Electric, New York, USA
- Enterprise Risk Management Framework, PricewaterhouseCoopers
- Strategic Marketing Management, Stanford Graduate School of Business

## Work Experiences

2011 - 2013	: Executive Vice President PTT, working on a secondment as Deputy CEO - Administration (DA), Star Petroleum Refining Public Company Limited
2013 - 2015	: Executive Vice President, Subsidiary Planning and Management, PTT
2016	: Executive Vice President, Downstream Business Group Planning, PTT
2016 - 2017	: Executive Vice President, Downstream Business Group Collaboration, PTT
2017 - September 30, 2018	: Executive Vice President, Innovation Institute, PTT
October 1, 2018 - Present	: Acting Senior Executive Vice President, Downstream Business Group Alignment, PTT

## Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director, Thai Oil Public Company Limited

## Relevant Important Positions in Non-listed Company/ Other Organizations

- Director, PTT Energy Solutions Company Limited

## Relation among Family with other Directors and Executives

- None



**Mr. Disathat Panyarachun**  
Age 54

Acting Senior Executive Vice President,  
International Trading Business Unit

## (% Share Possession

- None

## Appointed

- October 1, 2018

## Educations

- Bachelor of Social Science, Silpakorn University, Thailand
- Master of Public Administration (Political Science), National University, San Diego, USA

## Certifications

- Director Certification Program (DCP 206/2015), Thai Institute of Directors Association (IOD)
- Leadership Development Program III, PTT Leadership and Learning Institute (PLLI), PTT
- Certification of Oil Futures Program, The Oxford Princeton, UK.

## Work Experiences

2012 - 2015	: Vice President PTT, working on a secondment as Managing Director, PTT International Trading Pte Ltd (PTTT)
August 1, 2015 - January 31, 2016	: Vice President acting Executive Vice President, International Trading, PTT
February 1, 2016 - September 30, 2018	: Executive Vice President, International Trading PTT
October 1, 2018 - Present	: Acting Senior Executive Vice President, International Trading Business Unit PTT

## Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Member of the Corporate Governance Committee, PTT Global Chemical Public Company Limited

## Relevant Important Positions in Non-listed Company/ Other Organizations

- Director/ Acting Chairman, PTT International Trading Pte Ltd
- Chairman, PTT International Trading London Limited

## Relation among Family with other Directors and Executives

- None



**Mr. Worawat Pitayasiri**  
Age 52

Acting Senior Executive Vice President,  
Innovation and Digital

## (% Share Possession

- None

## Appointed

- September 16, 2018

## Educations

- Bachelor of Engineering (Chemical Engineering), Chulalongkorn University, Thailand
- Master of Business Administration (Business Administration), Thammasat University, Thailand

## Certifications

- Director Certification Program (DCP) 2012, Thai Institute of Directors Association (IOD)
- Asia Petrochemical Industry Conference (APIC) (Class 2/2017), Japan Petrochemicals Industry Association
- PTT Group VP Leadership Development Program, PTT
- NIDA-Wharton Executive Leadership Program (Class of 2009), The Wharton School of the University of Pennsylvania, USA
- Senior Executive Program (Class of 2012), Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Democratic Politics and Governance for High-Level Administrators Program, (Class of 22<sup>nd</sup>), King Prajadhipok's Institute

## Work Experiences

July 1, 2015 - March 30, 2016	: Executive Vice President, PTT, working on a secondment as President, PTT MCC Biochem Company Limited
March 31, 2016 - September 30, 2016	: Executive Vice President, under Senior Executive Vice President, Downstream Business Group Alignment, PTT
October 1, 2016 - September 15, 2018	: Executive Vice President, Downstream Business Group Planning, PTT
September 16, 2018 - Present	: Acting Senior Executive Vice President, Innovation and Digital, PTT



#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director and Member of Risk Management Committee, IRPC Public Company Limited

#### Relevant Important Positions in Non listed Company/ Other Organizations

- Committee, Community Partnership Association

#### Relation among Family with other Directors and Executives

- None



**Mr. Phongsthorn Thavisin**  
Age 59  
Chief Executive Officer  
PTT Exploration and Production  
Public Company Limited

#### (%) Share Possession

- 0.000060 (own 0.000035 ; spouse 0.000025)

#### Appointed

- October 1, 2018

#### Educations

- B.Sc. (Petroleum and Natural Gas Engineering), The Pennsylvania State University, USA

#### Certifications

- Director Certification Program (DCP 223/2016), Thai Institute of Directors Association
- Senior Executive Program (SEP-19), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Advanced Naval Studies Program (class 40/2008), Institute of Advanced Naval Studies
- PTT Group EVP Leadership Development
- PTT Executive Leadership, General Electric, GE, New York, USA
- Breakthrough Program for Senior Executive, IMD
- Diploma, The National Defense Course (Class 2013), National Defense College

#### Work Experiences

- 2012 - 2014 : Executive Vice President, Engineering and Development Group, PTT Exploration and Production Public Company Limited (PTTEP)

- January 1, 2015 - December 31, 2015 : Executive Vice President, Technology and Sustainability Development Group, PTTEP
- January 1, 2016 - October 31, 2017 : Chief Operating Officer, Production Asset and Operations Support Group and acting Executive Vice President, Operations Support Group, PTTEP
- November 1, 2017 - September 30, 2018 : President, PTT Exploration and Production and Acting Executive Vice President, Business Transformation and Organization Group, PTTEP
- October 1, 2018 - Present : Senior Executive Vice President, PTT working on a secondment as Chief Executive Officer, PTTEP

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Chief Executive Officer  
PTT Exploration and Production Public Company Limited

#### Relevant Important Positions in Non-listed Company/ Other Organizations

- None

#### Relation among Family with other Directors and Executives

- None



**Mr. Supattanapong Punmeechaow**  
Age 59  
President and Chief Executive Officer,  
PTT Global Chemical Public Company  
Limited

#### (%) Share Possession

- None

#### Appointed

- October 1, 2014

#### Educations

- Bachelor of Engineering (Chemical Engineering), Chulalongkorn University, Thailand
- Master of Business Administration, Chulalongkorn University, Thailand

#### Certifications

- Director Certification Program (DCP 131/2010), Role of Chairman Program (RCP 30/2013), Thai Institute of Directors Association (IOD)
- Advanced Management Program, INSEAD University, France
- Diploma, The National Defence Course (Class of 50<sup>th</sup>), National Defence College
- The Joint State-Private Sector Course (Class of 20<sup>th</sup>), National Defence College
- Oxford Energy Seminar 2013, United Kingdom
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 4<sup>th</sup>), 2014 Thailand Energy Academy
- Corporate Governance for Directors and Senior Executives of State Enterprises and Public Organizations (Class 12/2014), Public Director Institute (PDI), King Prajadhipok's Institute
- Rule of Law for Democracy Course ( Class 3/2015)
- Top Executives Program (Class of 23<sup>rd</sup>), Capital Market Academy
- Business Revolution and Innovation Network "Brain" Class 2/2018, The Federation of Thai Industries

#### Work Experiences

- 2009 - 2011 : Executive Vice President  
Business Development,  
PTT International Company Limited  
and Executive Vice President  
Corporate Strategy, PTT
- 2011 - September 30, 2014 : Senior Executive Vice President,  
Corporate Strategy, PTT
- October 1, 2014 - Present : Senior Executive Vice President, PTT,  
working on a secondment as  
President and Chief Executive Officer,  
PTT Global Chemical Public Company  
Limited

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Secretary to the Board of Directors/ Member of the Risk Management Committee, PTT Global Chemical Public Company Limited
- Director and Member of Risk Management Committee, Global Power Synergy Public Company Limited
- Chairman, Global Green Chemicals Public Company Limited

#### Relevant Important Positions in Non listed Company/ Other Organizations

- Director, PTTGC International Private Limited (Former Company Name: PTT Chemical International Private Limited (CH INTER), Changed to the current name on October 22, 2018)
- Council of Trustees, Petroleum Institute of Thailand (PTIT)
- Vice Chairman, Power of Innovation Foundation and Power of Learning Foundation
- Vice Chairman, The Federation of Thai Industries (Term of 2018-2020)
- Honorary Member of Vidyasirimedhi Institute Council
- Committee, Kamnoetvidya Science Academy
- President, Chulalongkorn University Engineering Alumni (Term of 2018-2019)
- Director, Thai Institute of Directors Association (IOD)
- Vice President, Thailand Swimming Association

#### Relation among Family with other Directors and Executives

- None



**Mr. Atikom Terbsiri**  
Age 56  
President and Chief Executive Officer,  
Thai Oil Public Company Limited

#### (%) Share Possession

- None

#### Appointed

- October 1, 2014

#### Educations

- Bachelor of Business Administration, Assumption University, Thailand
- M.B.A., (Finance & International Business), High Distinction, Armstrong University, California, USA

#### Certifications

- Director Certification Program (DCP125/2009)
- Risk Management Program for Corporate Leader (RCL 4/2016), Role of the Chairman Program (RCP 41/2017) Thai Institute of Directors Association (IOD)
- Diploma, National Defence College, The State Private Sector and Political Sectors Course, (Class of 5<sup>th</sup>)



- Advanced Security Management Program (ASMP1), The National Defence College Association of Thailand
- Top Executives Program, Capital Market Academy (Class of 17<sup>th</sup>), Thailand
- Executive Education Program, Harvard Business School, Harvard University, USA
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 6<sup>th</sup>), 2015 Thailand Energy Academy (TEA)
- Anti - corruption: Leadership Role of the Board

#### Work Experiences

- 2009 - 2011 : Senior Executive Vice President, Corporate Strategy & Planning and Acting Senior Executive Vice President, Port & Asset Management Business Unit, IRPC Public Company Limited
- 2011 - 2013 : Senior Executive Vice President PTT working on a secondment as President IRPC Public Company Limited
- 2013 - September 2014 : Senior Executive Vice President, Petrochemicals & Refining Business Unit, PTT Public Company Limited
- October 1, 2014 - Present : Senior Executive Vice President, PTT, working on a secondment as President and Chief Executive Officer, Thai Oil Public Company Limited

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Secretary to the Board of Directors and Member of the Risk Management Committee, Thai Oil Public Company Limited
- Director/ Member of the Risk Management Committee, Global Power Synergy Public Company Limited

#### Relevant Important Positions in Non-listed Company/ Other Organizations

- Chairman, Thai Lube Base Public Company Limited
- Chairman, Thailoil Marine Co., Ltd.
- Chairman, Thailoil Solvent Co., Ltd.
- Chairman, TOP Solvent Co., Ltd.
- Chairman, Thailoil Power Co., Ltd.
- Chairman, TOP SPP Co., Ltd.
- Chairman, LABIX Co., Ltd.
- Chairman, Thai Paraxylene Co., Ltd.
- Member of Trustee (Company Representative), Petroleum Institute of Thailand
- Director, Policy Planning on Materials Technology Development, National Science Technology and Innovation Policy Office
- Director, Power of Innovation Foundation and Power of Learning Foundation
- Member of Council, Vidyasirimedhi Institute of Science and Technology

- Executive Director, Thailand Energy Academy
- Director, Board of the Federation of Thai Industries (Term of 2018 - 2020)
- Executive Director, Thailand Swimming Association
- Director, Thai Listed Companies Association
- Chairman, Petroleum Refining Industry Club, The Federation of Thai Industries (Term of 2018 - 2020)
- Member, Backdoor Listing Transaction Committee, The Stock Exchange of Thailand

#### Relation among Family with other Directors and Executives

- None



Mr. Sukrit Surabotsopon\*  
Age 60  
President,  
IRPC Public Company Limited

#### (%) Share Possession

- 0.000070 (own 0.000070; spouse 0)

#### Appointed

- October 1, 2013

#### Educations

- Bachelor of Engineering (Chemical Engineering) (Second-Class Honors), Chulalongkorn University, Thailand

#### Certifications

- Director Certification Program (DCP 132/2010), Audit Committee Program (ACP 38/2012), Monitoring the System of Internal Control and Risk Management (MIR 12/2012), Thai Institute of Directors Association (IOD)
- Executive Development Program (EDP 3/2009), Thai Listed Companies Association (TLCA)
- Democratic Politics and Governance for High-Level Administrators (Class 15/2012), King Prajadhipok's Institute
- Top Executives Program, Capital Market Academy (Class of 16<sup>th</sup>), Thailand
- Diploma, The Joint State-Private Sector Course (Class 26/2013), National Defence College
- Certificate, Energy Program on Energy Literacy for a Sustainable Future (Class of 6<sup>th</sup>), 2015, Thailand Energy Academy (TEA)
- The Board's Role in Strategic Formulation, Governance Matters, Australia (2015)

#### Work Experiences

- 2010 - 2013 : Senior Executive Vice President - Petrochemicals & Refining Business Unit, PTT
- 2013 - Present : Senior Executive Vice President, PTT, working on a secondment as President, IRPC Public Company Limited

#### Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Secretary of the Board of Directors/ Member of the Risk Management Committee, IRPC Public Company Limited

#### Relevant Important Positions in Non-listed Company/ Other Organizations

- Chairman, IRPC Oil Company Limited
- Chairman, IRPC A&L Company Limited
- Chairman, IRPC Technology Company Limited
- Chairman, PTT Energy Solutions Company Limited
- Director, UBE Chemicals (Asia) Public Company Limited
- Director, IRPC Polyoil Company Limited
- Chairman of Petrochemical Cluster (Petroleum Refining, Petrochemicals, Plastics, and Chemicals Industries), The Federation of Thai Industries (Term 2018 - 2020)
- Honorary Chairman of Petroleum Refining Industry Club, The Federation of Thai Industries (Term 2018 - 2020)
- Director (Chemical Engineering Sector), The Engineering Institute of Thailand under H.M. The King's Patronage
- Director, Power of Innovation Foundation and Power of Learning Foundation
- Director and Executive Director, the Institute of Industrial Energy, The Federation of Thai Industries (Term 2014 - 2018)
- Director, Water Institute for Sustainability (Term 2014 - 2018)
- Director, The Federation of Thai Industries (Term 2014 - Present)
- Council, Vidyasirimedhi Institute of Science and Technology
- Director, Industrial Promotion Committee, The Federation of Thai Industries
- Director, The Industrial Environment Institute, The Federation of Thai Industries
- Advisory of the Board of Directors, Plastics Institute of Thailand (since September 2014)
- Advisor, Chulalongkorn University Alumni Association under the Patronage of His Majesty the King (since August 2015)
- Director, Public-Private Steering Committee (Competitive Workforce Sector)
- Honorary Advisor, Thai Plastic Industries Association (since March 2017)
- Director, The Petroleum and Petrochemical College, Chulalongkorn University

- Advisory, Chulalongkorn University Engineering Alumni
- Advisory, The Research Development and Innovation for Industry Institute, The Federation of Thai Industries
- Committee, Eastern Economic Corridor (EEC) (Biotechnology, Food Processing and Bioeconomy Industries)

#### Relation among Family with other Directors and Executives

- None

\* Resignation effective from February 1, 2019



Miss Jiraphon Kawswat  
Age 56  
Acting President  
and Chief Executive Officer,  
PTT Oil and Retail Business  
Public Company Limited

#### (%) Share Possession

- None

#### Appointed

- July 1, 2018

#### Educations

- Bachelor of Science (Accounting), Kasetsart University
- Master of Business Administration (Financial Management), Kasetsart University
- Master of Accountancy (Cost Accounting), Chulalongkorn University

#### Certifications

- Director Certification Program (DCP 180/2013), Thai Institute of Directors Association (IOD)
- Senior Executive Program, London Business School, UK
- Leadership Development Program III (2013), PTT Leadership and Learning Institute (PLLI)
- Strategic Thinking Through Case
- PTT Group VP Leadership Development Program
- Executive Development Program (EDP), Thai Listed Companies Association
- PTT group PLLI 3 Leadership Greatness: Great Leaders, Great Teams, Great Results
- Top Executive Program (Class of 26<sup>th</sup>), 2018, Capital Market Academy (CMA)
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 12<sup>th</sup>), 2018, Thailand Energy Academy (TEA)



Work Experiences

2006 - 2012 : Vice President, Managerial Accounting, PTT

2012 - 2016 : Executive Vice President, Planning, Oil Business Unit, PTT

2016 - September 30, 2017 : Executive Vice President, PTT, working on a secondment at PTTRM as Managing Director

October 1, 2017 - June 30, 2018 : Senior Executive Vice President, Oil Business Unit, PTT

July 1, 2018 - Present : Senior Executive Vice President, PTT, working on a secondment as Acting President and Chief Executive Officer, PTT Oil and Retail Business Public Company Limited

Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- None

Relevant Important Positions in Non-listed Company/ Other Organizations

- Director, PTT Oil and Retail Business Public Company Limited
- Chairman, PTT Retail Management Company Limited

Relation among Family with other Directors and Executives

- None



Mr. Chawalit Tippawanich  
Age 56  
President and Chief Executive Officer,  
Global Power Synergy  
Public Company Limited

(%) Share Possession

- 0.000035 (own 0.000035; spouse 0)

Appointed

- October 1, 2018

Educations

- Bachelor of Engineering (Electrical - Telecommunication Engineering) (Second-Class Honors), King Mongkut's Institute of Technology Ladkrabang, Thailand
- Master of Engineering (Industrial Engineering and Management), Asian Institute of Technology (AIT), Thailand

Certifications

- Director Certification Program (DCP 152/2011), Thai Institute of Directors Association (IOD)
- Company Management Program
- The Great Manager - Thailand Quality Award
- GE Energy Customer Executive Leadership Program (GE:PTT Executive Leadership) - GE Global Learning Crotonville Leadership Institute, USA
- Advance Management Program (AMP 187) - Harvard Business School, Executive Education, USA
- Leadership Development Program III (Class of 2<sup>nd</sup>), PTT Leadership and Learning Institute
- The Joint State-Private Sector Course (Class of 5<sup>th</sup>), Police College
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (Class of 12<sup>th</sup>), Thailand Energy Academy (TEA)

Work Experiences

2013 - 2015 : Executive Vice President, Business Development and Project Management PTT

2015 - 2016 : Executive Vice President, PTT, working on a secondment as President, HMC Polymers Company Limited (JV with LyondellBasell)

2017 - September 30, 2018 : Executive Vice President, PTT, working on a secondment as Senior Executive Vice President Organization Effectiveness, Thai Oil Public Company Limited

October 1, 2018 - Present : Acting Senior Executive Vice President, PTT, working on a secondment as President and Chief Executive Officer, Global Power Synergy Public Company Limited

Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director/ Secretary to the Board/ Member of the Risk Management Committee Global Power Synergy Public Company Limited

Relevant Important Positions in Non-listed Company/ Other Organizations

- Director, Xayaburi Power Company Limited

Relation among Family with other Directors and Executives

- None



Miss Duangkamol Settanung  
Age 59  
Senior Executive Vice President PTT working as Executive Vice President - Finance and Accounting, PTT Global Chemical Public Company Limited

(%) Share Possession

- 0.000280 (ตนเอง 0.000280)

Appointed

- December 1, 2018

Educations

- Bachelor of Science in Statistics (1st Class Honors), Kasetsart University, Thailand
- Master of Business Administration, Thammasat University, Thailand

Certifications

- Director Certification Program (DCP 155/2012), Thai Institute of Directors Association (IOD)
- Certificate Program for GE: PTT Executive Program, GE CROTONVILLE, USA
- Certification Program for “Leadership Development Program III (LDP III)” PTT Leadership and Learning Institute
- Top Executive Program (Class of 26<sup>th</sup>), Capital Market Academy (CMA)

Work Experiences

December 2007 - September 2010 : Vice President, Corporate Strategy, PTT Aromatics and Refining Public Company Limited

October 2010 - January 2011 : Senior Vice President, Finance & Accounting, PTT Aromatics and Refining Public Company Limited

February 2011 - October 2011 : Executive Vice President, Finance & Accounting, PTT Aromatics and Refining Public Company Limited

October 2011 - : Senior Executive Vice President,

November 1, 2015 : Corporate Accounting and Finance, IRPC Public Company Limited

November 1, 2015 - November 30, 2018 : Executive Vice President, PTT working as Executive Vice President Finance and Accounting, PTT Global Chemical Public Company Limited

December 1, 2018 - Present : Senior Executive Vice President, PTT working as Executive Vice President Finance and Accounting, PTT Global Chemical Public Company Limited

Relevant Important Positions in Listed Company - The Stock Exchange of Thailand

- Director and Chairperson of the Business Advisory Committee, Vinythai Public Company Limited

Relevant Important Positions in Non-listed Company/ Other Organizations

- Chairman, GC Treasury Center Company Limited
- Director, PTTGC International Private Limited (Former Company Name: PTT Chemical International Private Limited (CH INTER), Changed to the current name on October 22, 2018)
- Director, PTTGC America Corporation
- Director, PTTGC America LLC
- Director, Emery Oleochemicals (M) Sdn Bhd
- Director, Emery Specialty Chemicals Sdn Bhd
- Director, PTT Phenol Company Limited
- Director, GC Oxirane Company Limited
- Director, GC Polyols Company Limited

Relation among Family with other Directors and Executives

- None



Positions held by The Management and Authorized Controllers of PTT Plc.,  
Subsidiaries, Joint Ventures, Associates, and Related Companies for 2018

[illegible]

Company* (As of December 31, 2018)			PTT Executive (As of December 31, 2018)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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Subsidiaries, Joint Ventures, Associates, and Related Companies	Gas	Trans Thai-Malaysia (Thailand) Ltd.	TTM(T)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			</

**Notes:**

- Symbol X = Chairman – = Vice Chairman \* = President O = CEO / = Director // = Executive
- The first four executives, excluding the President & CEO, under SEC's Announcement are Mr. Wirat Uanarumit, Mr. Auttapol Rerkpiboon, Mr. Wittawat Svasti-xuto, and Ms. Pannalin Mahawongtikul

\* The Company has classified new subsidiary in according to the International Financial Reporting Standards No. 10 Consolidated Financial Statement, effective since January 1, 2015.

<sup>\*\*</sup> Mr. Thammayot Srichuai has resigned from the directorship of PTT, effective from January 1, 2019



# Awards of Thai Pride

PTT aspires to grow business sustainably by striking a fine balance of management of People, Planet, and Prosperity. **“People”** involves participation in the development of human resources, communities, and society to foster a sound economy and quality of life, which under national development. **“Planet”** refers to conservation of natural resources and the environment in all aspects of the work process. **“Prosperity”** indicates integration of organizational strength, corporate governance, and stakeholder management. PTT is also determined to foster innovation, digital technology, and improvement of work processes to keep up with situations and challenges both at present and in the future, known as **New Innovation**.

In 2018 (as of December 31, 2018), PTT earned a total of 69 awards, ranking, and accreditation for various areas both of national and international awards, presented by 33 institutes.

26 International  
Entities Total

**47**  
AWARDS

7 Domestic  
Entities Total

**22**  
AWARDS



PEOPLE



PLANET



PROSPERITY



NEW  
INNOVATION



Mr. Chansin Treenuchagron received the “Outstanding ERDC Award” at Executive Relationship Development Course (ERDC) - Class 1z

Awarded by:  
Directorate of Joint Civil Affairs,  
Royal Thai Army  
Date Received:  
February 1, 2018



Mr. Tevin Vongvanich accepted the “Executive of the Year Award” 2018 for state enterprise management from the “One Million Saplings of Goodness in Gratitude for Homeland” project.

Awarded by:  
Foundation for Thai Society  
Date Received:  
March 23, 2018



PTT received an honorary plaque from the Anti-Corruption Foundation in recognition of its support for the foundation's project to nurture honesty among the youth.

Awarded by:  
Anti-Corruption Foundation  
Date Received:  
June 7, 2018



Mr. Chansin Treenuchagron, President and CEO, accepted an Outstanding Alumnus Award for 2018 from King Prajadhipok's Institute.

Awarded by:  
King Prajadhipok's Institute  
Date Received:  
September 5, 2018





An executive and a staff member received “Phet Patsadu Awards” for 2018 outstanding procurement management:

1. Outstanding Procurement Manager Award for 2018 given to Material and Commercial Procurement Division Manager (Ms. Sirinya Kongcharoennuch)
2. Outstanding Procurement Officer Award for 2018 given to Material Administrative Staff, Warehouse Management section, GSP Procurement & Inventory Management, Division (Mr. Pradub Meesee)



Awarded by:  
The Commodity Management Association of Thailand  
Date Received:  
September 7, 2018



PTT's Sustainable Energy Foundation was given an honorary plaque for the excellent outcomes of social development endeavor.

Awarded by:  
Ministry of Social Development and Human Security  
Date Received:  
October 5, 2018



## PEOPLE



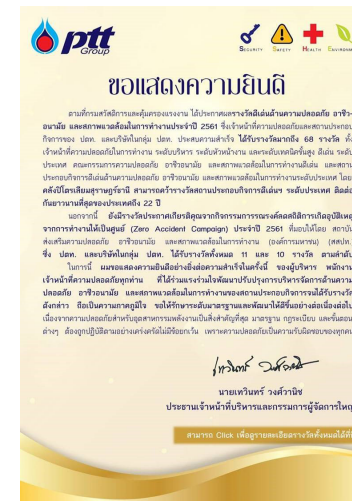
PTT won a Building a Good Society Award, an award presented to private and civil society organizations whose goal is to foster “a strong community with a good quality of life”.

Awarded by:  
Ministry of Social Development and Human Security  
Date Received:  
December 17, 2018



2018 Outstanding Award for Safety, Occupational Health, and Work Environment Surat Thani Petroleum Terminal won the national award for its Outstanding Operating Site, becoming the country's longest award winner (22<sup>nd</sup> consecutive year)

Awarded by:  
Department of Labour Protection and Welfare, Ministry of Labour  
Date Received:  
June 22, 2018



PTT's Urban Forest Learning Center won a “Best Public Facility Award” as an establishment offering excellent benefit for society and the environment.

Awarded by:  
PropertyGuru Thailand Property Awards 2018  
Date Received:  
August 31, 2018



PTT was honored as successful organization under the reforestation program from participation in the One Million Rai Reforestation Project in Honor of H.M. King Bhumibol on his 50<sup>th</sup> Anniversary of his accession to the throne in 1994.

Awarded by:  
Ministry of Culture  
Date Received:  
July 2018



SAVE EARTH



1. Outstanding Model Workplace Award for Safety, Occupational Health, and Work Environment for 2018,
  2. Outstanding Safety Officer Award
- These were presented to PTT and PTT Group at the Thailand Labour Management Excellence Award 2018 event.



Awarded by:  
Department of Labour Protection and Welfare, Ministry of Labour

Date Received:  
August 23, 2018



PTT was honored with the Chain of Hearts to Reduce Global Warming Plaque for 2018 under the Thailand Voluntary Emission Reduction Program (T-VER), Low Emission Support Scheme (LESS), and Carbon Neutral Event.

Awarded by:  
Thailand Greenhouse Gas Management Organization (Public Organization) (TGO)

Date Received:  
September 19, 2018



PTT was honored with an award in recognition of its helpful support for the nation's forestry in the Forest Management category.

Awarded by:  
The Royal Forest Department

Date Received:  
September 18, 2018



1. "Urban Forest Learning Center" won an Outstanding Award (Social and Community Health) for its design that blends with nature, with a focus on trees rather than buildings
2. "The Wang Chan Forest Project" won an Award of Excellence (first runner-up) in the category of Wildlife, Biodiversity, Habitat Enhancement or Creation for its forest plot plan based on an ecology system with good flow of energy and water basin system analysis



Awarded by:  
International Federation of Landscape Architects (IFLA)'s Africa, Asia Pacific, and Middle East (AAPME)

Date Received:  
July 19, 2018



PTT won an EIA Monitoring Awards 2018 for Khanom Gas Separation Plant for the tenth consecutive year. This prestigious environmental award in Thailand recognizes excellent environmental management.

Awarded by:  
Ministry of Natural Resources and Environment

Date Received:  
September 13, 2018



MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

PTT retained membership of Dow Jones Sustainability Indices (DJSI) for the seventh consecutive year and received the maximum score as the Industry Leader in the Oil and Gas Upstream and Integrated (2<sup>nd</sup> consecutive year)

Awarded by:  
Dow Jones Sustainability Indices (DJSI)

Date Received:  
September 13, 2018







# PROSPERITY

A Brand Maker Award for 2018 was presented to Mr. Auttapol Rerkpiboon, Chief Operating Officer, Downstream Petroleum Business Group, in recognition of his role in keeping PTT brand positioning as a market leader, recognized as a brand of pride for Thais and the top-of-mind brand among Thai consumers for over a decade.

Awarded by:  
BrandAge Magazine  
Date Received:  
March 2018



PTT received the 2018 Most Popular Stock Award (Resources) (6<sup>th</sup> consecutive year)

Awarded by:  
Khaooon Turakit Newspaper and SET  
Date Received:  
March 28, 2018



The No.1 Brand Thailand Award for 2017 - 2018:

1. PTT station (Fuel station category),
  2. Café Amazon (Coffee shop category)
  3. Lubricant product (Engine oil category).
- PTT also garnered the highest votes of trust (8<sup>th</sup> consecutive year).

Awarded by:  
Marketeer Magazine  
Date Received:  
May 2018



PTT's recertification of membership of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) was approved, after the first certification in 2014.

Awarded by:  
Thailand's Private Sector Collective Action Coalition against Corruption (CAC)  
Date Received:  
June 2018



PTT won two awards:

1. The Best of Drive Award 2018
  2. Management Excellence Award 2018
- from the Drive Award 2018 event, in recognition of organizations with outstanding results in mobilizing the organization.

Awarded by:  
MBA Chula Alumni in collaboration with Master's Degree Program in Business Administration, Faculty of Accounting and Commerce, Chulalongkorn University  
Date Received:  
June 27, 2018



PTT won SOE Awards for 2018, the most prestigious awards in recognition of outstanding state enterprises:

1. State Enterprise of the Year 2018 (for the third consecutive year) – This top prize of all SOE awards is presented to state enterprises with outstanding board of directors, management team, and business administration standards in all aspects and the ability to satisfy stakeholders' demand.
2. Outstanding Corporate Leadership Award – The award, intended for a top executive who mobilized the organization for sustainable success, went to Mr. Tevin Vongvanich.
3. Outstanding Information Disclosure and Transparency Award (for the fourth consecutive year) – The award recognizes a state enterprise with transparent, fair, and auditable management method, and with information disclosure under corporate governance of international standards.
4. Outstanding Social and Environmental Responsibilities – The award recognizes a state enterprise with relentless efforts on social and environmental responsibility. The organization must have a clear policy and plan with engagement by employees and increasing awareness among them. PTT was recognized for the "Water Management for Agriculture Using Clean Energy" project implemented in various domestic areas, including Tambon Mae Tha, Chiang Mai; Tambon Kham Khaen, Khon Kaen; Tambon Tha Manao, Lop Buri; and Tambon Lam sin, Phatthalung.
5. Outstanding Development Cooperation Award (Mentor Project) – The award went to PTT in its capacity as the mentor for State Railway of Thailand (SRT) and Public Warehouse Organization (PWO) to raise the latter's management efficiency to the desired standards to strengthen Thai state enterprises.
6. Consolation Prize on Innovation – PTT accepted the award from the "The Soothsayer" project, an innovation to predict possible damage or flaws in machinery or equipment in processes at Rayong Gas Separation Plant.

Awarded by:  
Ministry of Finance  
Date Received:  
August 24, 2018



PTT was selected for the Outstanding Ethics Award from the Thai Chamber of Commerce for 2018 (the first year for PTT).

Awarded by:  
The Thai Chamber of Commerce  
Date Received:  
August 24, 2018







# PROSPERITY

PTT won two of the eight royally bestowed TMA awards of excellence:

1. Financial Management Excellence Award
2. Corporate Improvement Excellence Award

PTT also won six outstanding awards

1. Human Resource Management
2. Innovation and Creativity
3. Leadership
4. Marketing
5. Products and Services
6. Sustainable Development and Social Responsibility

Awarded by:  
Thailand Management Association (TMA)  
and Sasin Graduate Institute of Business  
Administration of Chulalongkorn University

Date Received:  
November 29, 2018



1. PTT Group was among listed companies qualified for Thailand Sustainability Investment rankings
2. PTT won Best Sustainability Award at SET Sustainability Award for 2018

Awarded by:  
The Stock Exchange of Thailand (SET)  
Date Received:  
October 31, 2018



PTT earned Excellent CG Scoring, or five-emblem ranking, for the tenth consecutive year and was included in the top quartile among listed companies with market capitalization of over Baht 10 billion in the Corporate Governance Report of Thai Listed Companies (CGR) project.

Awarded by:  
The Thai Institute of Directors  
Association (Thai IOD) and the Stock  
Exchange of Thailand (SET)  
Date Received:  
October 19, 2018



PTT won the First-Class Anti-Corruption Award at the NACC Awards 2018.

Awarded by:  
Office of the National  
Anti-Corruption Commission (NACC)  
Date Received:  
November 16, 2018



PTT won two awards for corporate governance and transparency:

1. Asia's Icon in Corporate Governance Award, given to listed companies with outstanding CG management, (13<sup>th</sup> consecutive year)
2. Asian Corporate Director Recognition Awards given to Mr. Tevin Vongvanich, for his strong leadership in driving growth with corporate governance

Awarded by:  
Corporate Governance Asia Magazine  
Date Received:  
March 20, 2018



PTT was honored with three ASEAN Excellence Awards 2018 from Corporate Governance Asia Magazine:

- Individual Awards
- Asia's Best CEO for Mr. Tevin Vongvanich
- Asia's Best CFO for Mrs. Nitima Thepvanangkul
- Corporate Award:
- Best Investor Relations Company

Awarded by:  
Corporate Governance Asia Magazine  
Date Received:  
June 9, 2018



PTT won four awards from Alpha Southeast Asia Magazine for 2018:

1. Most Organised Investor Relations
2. Best Senior Management IR Support
3. Most Consistent Dividend Policy
4. Best Strategic Corporate Social Responsibility

Awarded by:  
Alpha Southeast Asia Magazine  
Date Received:  
September 18, 2018



PTT won two ASEAN Corporate Governance Awards as a Thai listed company passing ASEAN CG Scorecard criteria:

1. TOP 3 PLCs (Thailand) and
2. TOP 50 ASEAN PLCs (TOP 1-10)

Awarded by:  
ASEAN Capital Markets Forum,  
held in Kuala Lumpur, Malaysia  
Date Received:  
November 21, 2018



PTT won five of The Asset Awards for 2018:

1. The Asset Corporate Award - Platinum Award, 2018 (10<sup>th</sup> consecutive year)
2. Best Initiatives in Innovation (3<sup>rd</sup> consecutive year) - "The Soothsayer"
3. Best Initiatives in Social Responsibility - Floating Solar Photovoltaic Panels for Sustainable Water Management
4. Best Initiatives in Environmental Stewardship - The Water Risks Assessment
5. Best Investor Relations Team

Awarded by:  
The Asset Magazine  
Date Received:  
October 2018



PTT won a Sustainability Report Award 2018.

Awarded by:  
The Securities and Exchange  
Commission (SEC), CSR Club of  
Thai Listed Companies Association,  
and Thaipat Institute  
Date Received:  
December 7, 2018



# NEW INNOVATION



1. Innovative Organization Award for PTT Research and Technology Institute
2. National Innovation Award for Economic Development (second runner-up) for Integrated Pipeline Maintenance and Monitoring System (iPMMS)



Awarded by:  
National Innovation Agency  
(Public Organization) (NIA)  
at Innovation Thailand Expo 2018  
Date Received:  
October 4, 2018



A Best Innovative Company Award  
(Integrated Pipeline Maintenance  
and Monitoring System (iPMMS))  
at SET Awards 2018 for a rust prevention  
system with remote, online cathodic protection



Awarded by:  
The Stock Exchange of Thailand (SET)  
and Money and Banking Magazine  
Date Received:  
November 27, 2018

Three PIC (Productivity  
Improvement Circle) projects won  
Gold Awards at the International  
Convention on Quality Control  
Circle (ICQCC) 2018, Singapore.



Awarded by:  
ICQCC 2018, Singapore  
Date Received:  
October 23, 2018