



PTT GROUP
 **Way of
Conduct**

TOGETHER,
THROUGH THE SPIRIT
OF TEAMWORK,

TOGETHER,
PUTTING OUR
DIFFERENCES ASIDE,
TOGETHER,
ACHIEVING EACH
AND EVERY CHALLENGE.



Message from the President and Chief Executive Officer

PTT Group's management prowess together with its knowledge in energy business accumulated over a long period has culminated in the PTT Group Way of Conduct to function as a mechanism for the unified, interconnecting operations of PTT Group in the same direction, keeping PTT subsidiaries all on the same page through the following three contributing factors :

1. **Principle:** PTT Group operates in tandem with the GRC principles through consistently intertwined procedures with adherence to good corporate governance principles, solid risk management and internal control as well as strict compliance with relevant laws and regulations. The demonstrated commitment has enabled all PTT subsidiaries to stride forward together with transparency in operations.
2. **Change:** With today's lightning speed of scientific and technological evolution, the pace of our lives is not only changing but accelerating. By readying ourselves to cope with the constant change, we can reap the benefits of change and continue to address the demands of the marketplace and society as a whole whilst driving PTT Group to take the leaps forward in a stable manner alongside society.
3. **Team Choice:** This involves working together to analyze Principle and Change and articulate a unified operational direction to build camaraderie and minimize conflict or discord.

The consistent practice of the guidelines in accordance with PTT Group Way of Conduct will enable PTT Group to operate in unison, fostering synergy, potential, and global competitiveness to thrive together in a transparent and sustainable manner.



(Mr. Chansin Treenuchagron)

President and Chief Executive Officer
PTT Public Company Limited

**PTT Group
Way of Conduct**
as a mechanism for
the unified, interconnecting
operations of PTT Group in
the same direction, keeping
PTT subsidiaries all on
the same page.

VISION

“Thai Premier Multinational Energy Company”

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

To the country

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

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 shareholders

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

To customers

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

To business partners

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

To employees

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

VALUES

PTT Group has the value called SPIRIT with a belief that this SPIRIT value provides a guideline for the creation of a framework of ideas and beliefs that will lead to behavior and practices for the management and all employees to be “Kon Dee” (Responsibility for Society, Integrity & Ethics, Trust & Respect) and “Kon Keng” (Synergy, Performance Excellence, Innovation) of the organization and society.



The way we work together



Synergy



**Performance
Excellence**



Innovation



**Responsibility
for Society**



Integrity & Ethics



Trust & Respect

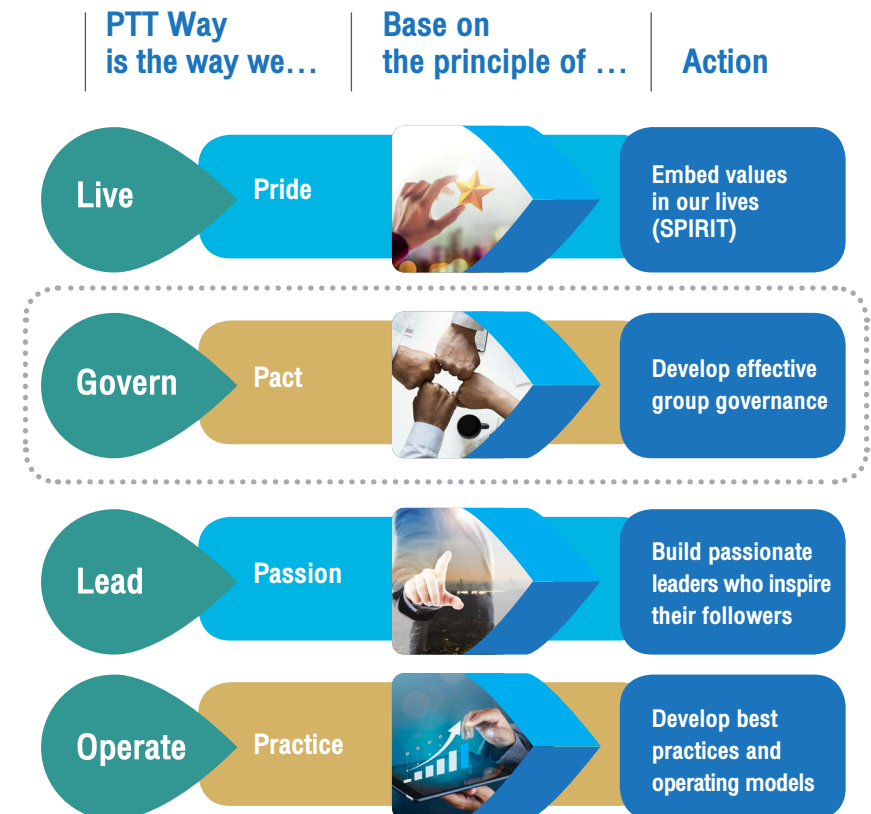


PTT Way

PTT Way

PTT Way is a set of principles and beliefs that we will follow to reach our aspirations. Our principal beliefs are “Live with pride”, “Govern by making pacts”, “Lead with passion and inspire others to follow”, and “Operate only through best practices”.

PTT Group Way of Conduct describes framework mechanisms and principles in overseeing policies and the operation of companies in PTT Group at an appropriate level of their business through teamwork and effective group governance.



PTT GROUP WAY OF CONDUCT

Objectives of PTT Group Way of Conduct

01

To serve as governance tools for PTT subsidiaries to adopt and align them to the same standards across the PTT Group via representatives assigned by PTT as directors, managements, and employees

02

To function as a practice guideline mutually agreed upon by PTT internal units in order to foster collaboration, synergy, and bonding amongst PTT and PTT subsidiaries

03

To ensure operations in compliance with laws, rules, and regulations as well as enhance risk management and competitiveness to empower PTT Group to achieve its business objectives in a sustainable way along with increasing transparency in operations between PTT and PTT subsidiaries

PTT Group Way of Conduct Framework

PTT Group Strategy

Governance Principles



01
Key Strategic Positions



02
Rules and Regulations



03
Reporting Line and Performance Management



04
Multi-level Governance



05
Management Committee

Policies

Strategic Alignment (MUST DO)

Governance Risk and Compliance

1. Corporate Governance and Anti-Fraud and Corruption
2. Risk Management
3. Compliance
4. Internal Control

Planning & Investment

5. Strategic Planning

Finance and Accounting

6. Finance
7. Accounting
8. Tax

Core Values

9. Core Values

Performance Excellence (SHOULD DO)

Assurance

10. Internal Audit

Corporate Citizenship

11. Corporate Reputation and Social Responsibility

Sustainability

12. Sustainability Management and Business Continuity Management

Protecting Value

13. Quality, Security, Safety, Health and Environment

Organization Development and Human Resources Management

14. Organization Structure
15. Human Resource Management
16. Knowledge Management

Service Center

17. Procurement
18. Research Development and Technology
19. Digital
20. Insurance

Governance System

1. Strategic Owner
(PTT 100% Owned)

2. Strategic Director
(Majority Owned)

2.1 CEO from PTT / 2.2 CEO from Others

3. Holding

4. Financial Investor
(Minority Owned)

Enablers



Technology



Advisory

(PTT Group Way of Conduct Toolkits, GRC Helpdesk, Subsidiaries Advisory Program)



Leadership

Governance Principles

1. Key Strategic Positions

PTT has the policy to assign PTT managements and employees to work in Key Strategic Positions that will adhere to Assignment Agreement as well as Shareholder Agreement and Business Conditions (as shown in the Key Strategic Positions Table in PTT Group's Organization Structure Policy).

2. Rules and Regulations

Rules and regulations as well as other orders are part of the governance principles to ensure conformity of the governance practices according to the policy of PTT Group and to materialize the Group's governance policy. It is imperative for PTT representatives who are assigned as directors, the top executive, managements, and employees in subsidiaries of PTT Group to adopt them as good management practice and align them to the same standards across the PTT Group. Added to this is to implement the rules, regulations, and orders, keeping them the same standards throughout PTT Group.

Chief among the rules, regulations, and orders are :

- Rules of the Securities and Exchange Commission (SEC)
- PTT Public Company Limited Articles of Association on the investment criteria and investment budget management in PTT subsidiaries and governance guidance for PTT's invested companies B.E. 2562 (2019)
- PTT Public Company Limited Articles of Association on the internal task of PTT B.E. 2553 (2010)
- PTT Public Company Limited Articles of Association on personnel management B.E. 2544 (2001) and its supplement

- Policy and guidelines for PTT Group Way of Conduct
- PTT Principles of Corporate Management in the event of fraud or any act that may impact PTT Group's reputation, image and business operations
- PTT Corporate Governance, Ethical Standards, and Code of Business Ethics Handbook.

Added to these are the guidelines defining roles, duties, and responsibilities of directors and the top executive of PTT subsidiaries.

3. Reporting Line and Performance Management

PTT has stipulated reporting line and performance management as one of its governance principles in which PTT subsidiaries are required to report their policies' implementation progress status to their managements and/or Board of Directors.

To ensure PTT Group Way of Conduct is driven effectively and efficiently, PTT has also clearly defined key performance indicator.

4. Multi-level Governance

PTT Group is a large conglomerate with a diverse range of businesses and different kinds of complexities. To enable PTT Group Way of Conduct to be materialized in the same direction with clear and interconnected management systems, PTT has embraced the concept of **Multi-level Governance**, building upon the collaboration of PTT subsidiaries. The endeavor has resulted in work procedures that are in conformity and unity and PTT Group having achieved its business objectives in a sustainable manner in line with **"Govern by making pacts" in PTT Way.**

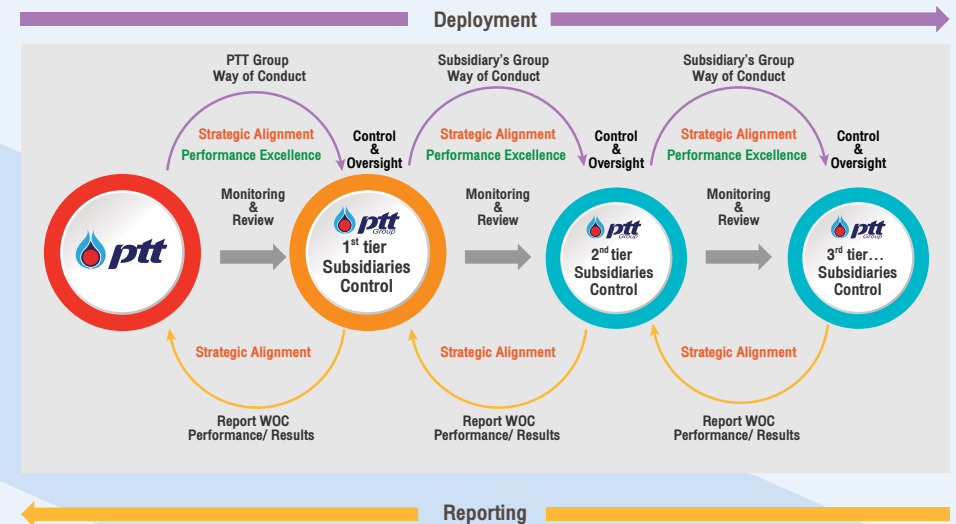
Multi-level Governance is implemented through PTT Group Way of Conduct from PTT to its first-tier subsidiaries in which PTT exercises its control and oversight through PTT managements serving as the top executive positions in the subsidiaries. The first-tier subsidiaries are then tasked with formulating the Subsidiary's Group Way of Conduct to be transferred to their subsidiaries (PTT's second-tier subsidiaries), respectively. In the deployment, it is imperative to take into account the governance capability of the subsidiaries comprising Governance Principles and Strategic Alignment Policies Group to ensure consistent business operations of companies across PTT Group.

For Multi-level Governance to operate effectively and successfully, it is important to consider the following three components when determining the governance capability:

1. Control through the proportion of direct share ownership (Control)
2. Assigning managements to serve as the top executive positions in the subsidiaries (Oversight)
3. Agreement amongst the shareholder of a subsidiary (Shareholder Agreement)

Furthermore, The performance assessment in alignment with PTT Group Way of Conduct has prescribed that each PTT subsidiary shall report on its performance to the higher tier in the Group hierarchy and implement a Monitoring & Review Program so as to monitor operating results in alignment with the PTT Group Way of Conduct policies. The objectives also extend to listening to suggestions as a means to continuously improve the efficiency and effectiveness of PTT Group Way of Conduct.

Multi-level Governance



Components determining the governance capability

1. Control through the proportion of direct share ownership (Control)
2. Assigning managements to serve as the top executive positions in the subsidiaries (Oversight)
3. Agreement amongst the shareholder of a subsidiary (Shareholder Agreement)

5. Management Committee

Management Committee including PTT Group Management Committee (PTTGMC) and PTT Group committees on different policies are key mechanisms driving PTT Group Way of Conduct to achieve goals efficiently as they hold the exchange of views and work together to establish operational direction. It is stipulated that PTT shall report performance/results of its PTT subsidiaries in tandem with PTT Group Way of Conduct to PTTGMC periodically, allowing the Committee to closely monitor the efficiency and effectiveness of PTT Group Way of Conduct.

Principles of Corporate Management

in the event of fraud or any act that may impact PTT's reputation, image, and business operations

1. In the event of fraud or any act that may impact reputation, image, and business operations arising in a PTT associated companies or subsidiaries, the top executive of the associated companies or subsidiaries are responsible for looking into the matter and promptly reporting on the preliminary facts to its holding companies and the relevant agency designated by PTT. They are also entrusted with creating investigation guidelines to gather further information together, conducting disciplinary investigation, communicating to stakeholders, establishing access right to relevant information or taking any needed action to ensure consistent procedures. The affected company is required to report progress of the undertaking and results of investigations every 30 days and submit a disciplinary investigation report to the agency designated by PTT.
2. Define procedures to prevent frauds or any acts that may impact reputation, image, business operations, and risk management and propose to the Board of Directors of PTT associated companies or subsidiaries for approval. The procedures are to be strictly upheld.
3. Drive corporate culture that does not tolerate frauds or any acts that may impact reputation, image, and business operations and support the employee whistleblowing procedure in a tangible way.
4. PTT as well as its associated companies and subsidiaries shall deal with the arising frauds or any acts that may impact PTT's reputation, image, and business operations arising within PTT Group in an earnest and professional manner. They shall never unlawfully exploit inside information for their own benefit which may adversely affect those involved.

Remark: Any event that may impact PTT Group's reputation, image, and business operations such as an oil pipeline leak, gas leak or plant fire which have negative effects on the environment, society/ community, or an emergency or crisis.

Policies

To enable PTT Group Way of Conduct to be materialized efficiently and effectively in alignment with PTT Group's goals and in consistency with each company's business operations and associated risks, policies are classified into two groups as follows:



This policy group is the framework leading PTT Group in the same direction to create collaboration and synergy, and contribute to the accomplishment of PTT Group's goals together.



This policy group is implemented to enhance competitiveness and lead PTT Group to achieve its business objectives with sustainability and an international entities of performance excellence.

Remark: The Strategic Alignment and Performance Excellence policy groups are subject to change to align with PTT Group's vision, strategy, and operational plan in place at that time.

Governance System

The Governance System in line with PTT Group Way of Conduct is categorized into two groups:

I. PTT Subsidiaries Deployment

In line with PTT Group Way of Conduct, PTT Group's Governance System is classified into four categories according to the direct share ownership of PTT and PTT subsidiaries and the governance capability.

- 1) Strategic Owner** A wholly owned company (PTT 100% owned) with significant operations of its own
- 2) Strategic Director** A company that PTT Group is a majority shareholder or PTT Group has equal or more shares in than other shareholders.
Strategic Director is classified into two sub-categories
 - 2.1) CEO from PTT** – A company with PTT management serving as the top executive
 - 2.2) CEO from Others** – A company with no PTT management serving as the top executive
- 3) Holding** A company that earns income from profitability shares from the companies it owns but has no operations of its own
- 4) Financial Investor** A company that PTT Group is a minority shareholder or a company that PTT has less shares in than other shareholders

II. Levels of Governance

Governance system in tune with PTT Group Way of Conduct is the way that PTT can add value under the policies, processes, and actions that are defined in the same direction with the governance levels specified in the table below.

Policy Group \ Deployment	1. Strategic Owner (PTT 100% Owned)	2. Strategic Director (Majority Owned)		3. Holding	4. Financial Investor (Minority Owned)	
		2.1 CEO from PTT				2.2 CEO from Others
		Non-Listed	Listed			
Strategic Alignment						
Performance Excellence						

Level of Governance	Explanation
Control (Act as defined)	PTT subsidiaries comply with PTT policies.
Directive (Act in the same direction)	PTT subsidiaries comply with PTT policies. If PTT subsidiaries cannot proceed, they can adapt the Apply & Explain principle and seek advice from PTT's Senior Executive Vice President (SEVP) of business group.
Consult (Discuss and summarize common approach)	PTT subsidiaries adopt the Apply & Explain principle and discuss/ seek comments/ seek advice from PTT prior to taking action.
Inform (Notify)	PTT subsidiaries notify PTT as scheduled or requested by PTT.

Remark: The parent company with operations of its own is responsible for overseeing its subsidiaries which is a holding company in line with PTT Group Way of Conduct.

Roles and Responsibilities in PTT Group Way of Conduct

For PTT Group Way of Conduct to be implemented efficiently and effectively so as to accomplish PTT objectives and ensure maximum benefits in alignment with PTT Group mission, it is imperative that all concerned parties study, understand, and comply with PTT Group Way of Conduct, each with the following roles and responsibilities:

Shareholders

- Appoint directors to perform duties on their behalf
- Set out the direction of the company's operations or take part in the decision making process of matters that may have a significant impact on the company through the Shareholders' Meeting
- Attend the Shareholders' Meeting to exercise their rights to vote on appointment or removal of a director, appointment of auditors, and significant matters such as dividend payment, an addition or amendment to the company's rules and regulations and Articles of Association, an increase or decrease in share capital, and approval of special items
- Monitor the Board of Director's performance of duties

Board of Directors

- Oversee to ensure the company's good management system; set out objectives and goals, define strategy, operational policy, and allocation of necessary resources to achieve such objectives and goals, as well as monitor, evaluate, and oversee report on the operating results
- Create value to the business in a sustainable way to achieve desirable outcomes including, but not limited to, enhanced competitiveness, satisfactory operating results with concern for long-term effects, and business operations with commitment to ethics, respect to rights, and accountability for shareholders and all stakeholders
- Oversee to ensure all directors and managements perform their tasks carefully (duty of care), honest to organization (duty of loyalty), follow through legal duties, objectives, regulations, Board and shareholders' resolutions (duty of obedience), and through complete, transparent, and timely disclosure of information (duty of disclosure)
- Clearly define scope of duties and responsibilities of Chief Executive Officer and managements and oversee their performance of duties

The Top Executive

- Manage the company as entrusted by Board of Directors in strict compliance with the plan or budget approved by Board of Directors with honesty, integrity, and maximum care for the benefits of the company and shareholders
- Create cohesiveness between strategy and policy of PTT Group and the company in a practical way
- Perform tasks with carefully (duty of care), honest to organization (duty of loyalty), follow through legal duties, objectives, regulations, Board and shareholders' resolutions (duty of obedience), and through complete, transparent, and timely disclosure of information (duty of disclosure)
- Implement Governance, Risk and Compliance (GRC) and support/cooperate in internal audit

Subsidiary Management Department

- Oversee overall business operations of PTT subsidiaries
- Coordinate as well as offer advice and assistance to enable operations in line with PTT Group Way of Conduct to realize their objectives

Policy Owners Department

- Provide consultancy on implementations in alignment with PTT Group Way of Conduct within the policy under their responsibilities
- Support and monitor the implementations according to PTT Group Way of Conduct with details of the relevant policy

Good Governance and Corporate Ethics Department

- Set out PTT Group Way of Conduct framework and listen to views and comments for use in continuously enhancing the efficiency and effectiveness of PTT Group Governance.
- Oversee overall governance practice as well as support, monitor and encourage performance in line with PTT Group Way of Conduct consistently to a systematic and uniform standard



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Every autumn, thousands of geese fly for more over than 5,000 miles to the destination to escape the bitterly cold winter. As soon as a flock of geese takes flight from the waters, they swiftly form a V-shaped pattern. The lead geese alternate to take the front and the rest follow closely behind. When flying together, each goose provides an uplift for the geese following when they flap their wings. This significantly helps them save energy, allowing them to fly further. When the lead goose gets exhausted as it is the first to break up the flow of air for the goose behind, it pulls out and moves to the rear of the formation where air resistance is lighter. Another goose then takes the lead. The concerted actions demonstrate leadership rotation and collaborative efforts to accomplish a goal. During their flight, we will also hear them make honking sounds from all different directions as a means to communicate and encourage each other to keep the same flying pace to reach their destination.

The lessons we can learn from geese are that by creating synergy, sharing common goals, clearly assigning responsibilities, helping and supporting each other as well as giving praise and encouragement to the team, and adjusting oneself to cope with the emerging changes, we can drive the team forward toward achieving a common goal and success together.

