



## **PTT Independent Director Qualification**

(More restrictions than the Stock Exchange Commission and Stock Exchange's minimum requirements)

PTT independent director must;

1. Hold shares in their own name or in the name of a related person (as defined by Section 258 of the Securities and Stock Exchange Act) not more than 0.5% of the total voting share of PTT, subsidiary, affiliate of potential conflicted legal entity.
2. Not participate in management and not be an employee, a staff, an advisor who regularly earn monthly salary or controlling party of PTT, parent company, subsidiary, affiliate company, associate company or potential conflicted legal entity. (Either currently or 2 years prior to the appointment.)
3. Not be a relative both by bloodline and legal registration; i.e. parents, spouse, sibling, child and child's spouse; with any executive, major shareholder, controlling party or currently nominated executives or controlling parties of PTT subsidiary.
4. Not have substantial business relationship with PTT
  - a. Relationships :
    - Professional relationship
      - Type of relationship: i.e. external auditor and other professions such as legal consultant, financial consultants and appraisals.
      - Transactional indicator for independency
        - External auditor is prohibited.
        - Annual transaction with PTT is more than THB 2 million per annum.
    - Business and commercial relationship
      - Type of relationship: any other business relationship i. e. ordinary transactions, immovability assets rental transactions, assets related and services transaction, providing and receiving financial support, etc.
      - Transactional indicator for independency
        - The transaction value from THB 20 million or 3% of PTT's net tangible assets upward (whichever is lower). The total value shall be cumulative of the last 6 months prior to the transaction date.
  - b. Positions: Major shareholders, directors (except independent and audit committee member) , executives and partners deem dependent in any relationship described in a. with legal entities.
  - c. Cooling period: Directors deem dependent if they currently or in the past 2 years have relationships and position described in a. and b.
  - d. Exemption: In a rarely and discontinuously appropriate case and if necessity, independent director and Audit Committee member may be exempted the qualification described above. The Board of Directors must consider such circumstance and unanimously approve the appointment of such independent directors. PTT must disclose such relationship in annual report (56-1 and 56-2 form). If PTT nominate such independent director for reelection, PTT

must disclose such relationships in notice of Annual General Meeting of Shareholder Meeting in director nomination item.

5. Not be appointed as representatives of PTT's directors, major shareholders or shareholders who are related parties to the major shareholders.
6. Not have other circumstance that may conflict with the independency.
7. Be delegated by the Board of Directors to make a collective decision for activities in PTT, parent company, subsidiary, affiliate or potential conflicted legal entity.

In addition, 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 remuneration of such directors in Form 56-1 and Form 56-2.

### **Roles and Responsibility of PTT's Independent Directors**

1. Recommend essential and beneficial matters to PTT and all its shareholders to the Board or the President & CEO, or both.
2. Advocate roles and responsibility of the Board and provide views commonly expected of independent directors for the benefit of PTT and all its shareholders.
3. Review matters to ensure PTT's compliance with the law 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 corporate governance; 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.